



Sen. James T. Meeks

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1 AMENDMENT TO SENATE BILL 750

2 AMENDMENT NO. _____. Amend Senate Bill 750 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Budget Law of the Civil
5 Administrative Code of Illinois is amended by changing Section
6 50-20 as follows:

7 (15 ILCS 20/50-20) (was 15 ILCS 20/38.3)

8 Sec. 50-20. Responsible Education Funding Law.

9 (a) The Governor shall submit to the General Assembly a
10 proposed budget for elementary and secondary education in which
11 total General Revenue Fund appropriations are no less than the
12 total General Revenue Fund appropriations of the previous
13 fiscal year. In addition, the Governor shall specify the total
14 amount of funds to be transferred from the General Revenue Fund
15 to the Common School Fund during the budget year, which shall
16 be no less than the total amount transferred during the

1 previous fiscal year. The Governor may submit a proposed budget
2 in which the total appropriated and transferred amounts are
3 less than the previous fiscal year if the Governor declares in
4 writing to the General Assembly the reason for the lesser
5 amounts.

6 (b) The General Assembly shall appropriate amounts for
7 elementary and secondary education from the General Revenue
8 Fund for each fiscal year so that the total General Revenue
9 Fund appropriation is no less than the total General Revenue
10 Fund appropriation for elementary and secondary education for
11 the previous fiscal year. In addition, the General Assembly
12 shall legislatively transfer from the General Revenue Fund to
13 the Common School Fund for the fiscal year a total amount that
14 is no less than the total amount transferred for the previous
15 fiscal year. The General Assembly may appropriate or transfer
16 lesser amounts if it declares by Joint Resolution the reason
17 for the lesser amounts.

18 (b-5) In fiscal year 2010, no appropriation made from
19 General funds to the State Board of Education, any public
20 university in this State, or the Board of Higher Education fund
21 may be decreased from its fiscal year 2009 appropriated level.
22 An exception may be made only if a program's appropriation is
23 based on actual cost and that cost has been determined by the
24 appropriate agency to require a lesser appropriation; however,
25 the aggregate appropriation to these agencies or universities
26 for fiscal year 2010 shall not under any circumstances

1 represent a decrease from the fiscal year 2009 aggregate
2 appropriation level.

3 (b-10) Beginning in fiscal year 2011, in addition to the
4 amounts required to be transferred under subsection (b) of this
5 Section, an amount equal to the amount of additional revenue
6 generated through the taxes imposed by this amendatory Act of
7 the 96th General Assembly shall be transferred from the General
8 Revenue Fund to the Common School Fund, minus an amount
9 estimated to cover the cost of the tax credit for residential
10 property taxes under Section 208 of the Illinois Income Tax
11 Act.

12 (c) This Section may be cited as the Responsible Education
13 Funding Law.

14 (Source: P.A. 91-239, eff. 1-1-00.)

15 Section 10. The State Finance Act is amended by adding
16 Sections 5.719, 5.720, and 5.721 as follows:

17 (30 ILCS 105/5.719 new)

18 Sec. 5.719. The Education Financial Award System Fund.

19 (30 ILCS 105/5.720 new)

20 Sec. 5.720. The Digital Learning Technology Grant Fund.

21 (30 ILCS 105/5.721 new)

22 Sec. 5.721. The STEM Education Center Grant Fund.

1 Section 15. The Illinois Income Tax Act is amended by
2 changing Sections 201, 204, 208, 212, and 804 and by adding
3 Sections 202.5 and 218 as follows:

4 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

5 Sec. 201. Tax Imposed.

6 (a) In general. A tax measured by net income is hereby
7 imposed on every individual, corporation, trust and estate for
8 each taxable year ending after July 31, 1969 on the privilege
9 of earning or receiving income in or as a resident of this
10 State. Such tax shall be in addition to all other occupation or
11 privilege taxes imposed by this State or by any municipal
12 corporation or political subdivision thereof.

13 (b) Rates. The tax imposed by subsection (a) of this
14 Section shall be determined as follows, except as adjusted by
15 subsection (d-1):

16 (1) In the case of an individual, trust or estate, for
17 taxable years ending prior to July 1, 1989, an amount equal
18 to 2 1/2% of the taxpayer's net income for the taxable
19 year.

20 (2) In the case of an individual, trust or estate, for
21 taxable years beginning prior to July 1, 1989 and ending
22 after June 30, 1989, an amount equal to the sum of (i) 2
23 1/2% of the taxpayer's net income for the period prior to
24 July 1, 1989, as calculated under Section 202.3, and (ii)

1 3% of the taxpayer's net income for the period after June
2 30, 1989, as calculated under Section 202.3.

3 (3) In the case of an individual, trust or estate, for
4 taxable years beginning after June 30, 1989 and ending
5 before July 1, 2009, an amount equal to 3% of the
6 taxpayer's net income for the taxable year.

7 (4) In the case of an individual, trust, or estate, for
8 taxable years beginning prior to July 1, 2009 and ending
9 after June 30, 2009, an amount equal to the sum of (i) 3%
10 of the taxpayer's net income for the period prior to July
11 1, 2009, as calculated under Section 202.5, and (ii) 5% of
12 the taxpayer's net income for the period after June 30,
13 2009, as calculated under Section 202.5.~~(Blank).~~

14 (5) In the case of an individual, trust ,or estate, for
15 taxable years beginning on or after July 1, 2009, an amount
16 equal to 5% of the taxpayer's net income for the taxable
17 year. ~~(Blank).~~

18 (6) In the case of a corporation, for taxable years
19 ending prior to July 1, 1989, an amount equal to 4% of the
20 taxpayer's net income for the taxable year.

21 (7) In the case of a corporation, for taxable years
22 beginning prior to July 1, 1989 and ending after June 30,
23 1989, an amount equal to the sum of (i) 4% of the
24 taxpayer's net income for the period prior to July 1, 1989,
25 as calculated under Section 202.3, and (ii) 4.8% of the
26 taxpayer's net income for the period after June 30, 1989,

1 as calculated under Section 202.3.

2 (8) In the case of a corporation, for taxable years
3 beginning after June 30, 1989, and ending prior to July 1,
4 2009 an amount equal to 4.8% of the taxpayer's net income
5 for the taxable year.

6 (9) In the case of a corporation, for taxable years
7 beginning prior to July 1, 2009 and ending after June 30,
8 2009, an amount equal to the sum of (i) 4.8% of the
9 taxpayer's net income for the period prior to July 1, 2009,
10 as calculated under Section 202.5, and (ii) 7.2% of the
11 taxpayer's net income for the period after June 30, 2009,
12 as calculated under Section 202.5.

13 (10) In the case of a corporation, for taxable years
14 beginning after June 30, 2009, an amount equal to 7.2% of
15 the taxpayer's net income for the taxable year.

16 (c) Personal Property Tax Replacement Income Tax.
17 Beginning on July 1, 1979 and thereafter, in addition to such
18 income tax, there is also hereby imposed the Personal Property
19 Tax Replacement Income Tax measured by net income on every
20 corporation (including Subchapter S corporations), partnership
21 and trust, for each taxable year ending after June 30, 1979.
22 Such taxes are imposed on the privilege of earning or receiving
23 income in or as a resident of this State. The Personal Property
24 Tax Replacement Income Tax shall be in addition to the income
25 tax imposed by subsections (a) and (b) of this Section and in
26 addition to all other occupation or privilege taxes imposed by

1 this State or by any municipal corporation or political
2 subdivision thereof.

3 (d) Additional Personal Property Tax Replacement Income
4 Tax Rates. The personal property tax replacement income tax
5 imposed by this subsection and subsection (c) of this Section
6 in the case of a corporation, other than a Subchapter S
7 corporation and except as adjusted by subsection (d-1), shall
8 be an additional amount equal to 2.85% of such taxpayer's net
9 income for the taxable year, except that beginning on January
10 1, 1981, and thereafter, the rate of 2.85% specified in this
11 subsection shall be reduced to 2.5%, and in the case of a
12 partnership, trust or a Subchapter S corporation shall be an
13 additional amount equal to 1.5% of such taxpayer's net income
14 for the taxable year.

15 (d-1) Rate reduction for certain foreign insurers. In the
16 case of a foreign insurer, as defined by Section 35A-5 of the
17 Illinois Insurance Code, whose state or country of domicile
18 imposes on insurers domiciled in Illinois a retaliatory tax
19 (excluding any insurer whose premiums from reinsurance assumed
20 are 50% or more of its total insurance premiums as determined
21 under paragraph (2) of subsection (b) of Section 304, except
22 that for purposes of this determination premiums from
23 reinsurance do not include premiums from inter-affiliate
24 reinsurance arrangements), beginning with taxable years ending
25 on or after December 31, 1999, the sum of the rates of tax
26 imposed by subsections (b) and (d) shall be reduced (but not

1 increased) to the rate at which the total amount of tax imposed
2 under this Act, net of all credits allowed under this Act,
3 shall equal (i) the total amount of tax that would be imposed
4 on the foreign insurer's net income allocable to Illinois for
5 the taxable year by such foreign insurer's state or country of
6 domicile if that net income were subject to all income taxes
7 and taxes measured by net income imposed by such foreign
8 insurer's state or country of domicile, net of all credits
9 allowed or (ii) a rate of zero if no such tax is imposed on such
10 income by the foreign insurer's state of domicile. For the
11 purposes of this subsection (d-1), an inter-affiliate includes
12 a mutual insurer under common management.

13 (1) For the purposes of subsection (d-1), in no event
14 shall the sum of the rates of tax imposed by subsections
15 (b) and (d) be reduced below the rate at which the sum of:

16 (A) the total amount of tax imposed on such foreign
17 insurer under this Act for a taxable year, net of all
18 credits allowed under this Act, plus

19 (B) the privilege tax imposed by Section 409 of the
20 Illinois Insurance Code, the fire insurance company
21 tax imposed by Section 12 of the Fire Investigation
22 Act, and the fire department taxes imposed under
23 Section 11-10-1 of the Illinois Municipal Code,

24 equals 1.25% for taxable years ending prior to December 31,
25 2003, or 1.75% for taxable years ending on or after
26 December 31, 2003, of the net taxable premiums written for

1 the taxable year, as described by subsection (1) of Section
2 409 of the Illinois Insurance Code. This paragraph will in
3 no event increase the rates imposed under subsections (b)
4 and (d).

5 (2) Any reduction in the rates of tax imposed by this
6 subsection shall be applied first against the rates imposed
7 by subsection (b) and only after the tax imposed by
8 subsection (a) net of all credits allowed under this
9 Section other than the credit allowed under subsection (i)
10 has been reduced to zero, against the rates imposed by
11 subsection (d).

12 This subsection (d-1) is exempt from the provisions of
13 Section 250.

14 (e) Investment credit. A taxpayer shall be allowed a credit
15 against the Personal Property Tax Replacement Income Tax for
16 investment in qualified property.

17 (1) A taxpayer shall be allowed a credit equal to .5%
18 of the basis of qualified property placed in service during
19 the taxable year, provided such property is placed in
20 service on or after July 1, 1984. There shall be allowed an
21 additional credit equal to .5% of the basis of qualified
22 property placed in service during the taxable year,
23 provided such property is placed in service on or after
24 July 1, 1986, and the taxpayer's base employment within
25 Illinois has increased by 1% or more over the preceding
26 year as determined by the taxpayer's employment records

1 filed with the Illinois Department of Employment Security.
2 Taxpayers who are new to Illinois shall be deemed to have
3 met the 1% growth in base employment for the first year in
4 which they file employment records with the Illinois
5 Department of Employment Security. The provisions added to
6 this Section by Public Act 85-1200 (and restored by Public
7 Act 87-895) shall be construed as declaratory of existing
8 law and not as a new enactment. If, in any year, the
9 increase in base employment within Illinois over the
10 preceding year is less than 1%, the additional credit shall
11 be limited to that percentage times a fraction, the
12 numerator of which is .5% and the denominator of which is
13 1%, but shall not exceed .5%. The investment credit shall
14 not be allowed to the extent that it would reduce a
15 taxpayer's liability in any tax year below zero, nor may
16 any credit for qualified property be allowed for any year
17 other than the year in which the property was placed in
18 service in Illinois. For tax years ending on or after
19 December 31, 1987, and on or before December 31, 1988, the
20 credit shall be allowed for the tax year in which the
21 property is placed in service, or, if the amount of the
22 credit exceeds the tax liability for that year, whether it
23 exceeds the original liability or the liability as later
24 amended, such excess may be carried forward and applied to
25 the tax liability of the 5 taxable years following the
26 excess credit years if the taxpayer (i) makes investments

1 which cause the creation of a minimum of 2,000 full-time
2 equivalent jobs in Illinois, (ii) is located in an
3 enterprise zone established pursuant to the Illinois
4 Enterprise Zone Act and (iii) is certified by the
5 Department of Commerce and Community Affairs (now
6 Department of Commerce and Economic Opportunity) as
7 complying with the requirements specified in clause (i) and
8 (ii) by July 1, 1986. The Department of Commerce and
9 Community Affairs (now Department of Commerce and Economic
10 Opportunity) shall notify the Department of Revenue of all
11 such certifications immediately. For tax years ending
12 after December 31, 1988, the credit shall be allowed for
13 the tax year in which the property is placed in service,
14 or, if the amount of the credit exceeds the tax liability
15 for that year, whether it exceeds the original liability or
16 the liability as later amended, such excess may be carried
17 forward and applied to the tax liability of the 5 taxable
18 years following the excess credit years. The credit shall
19 be applied to the earliest year for which there is a
20 liability. If there is credit from more than one tax year
21 that is available to offset a liability, earlier credit
22 shall be applied first.

23 (2) The term "qualified property" means property
24 which:

25 (A) is tangible, whether new or used, including
26 buildings and structural components of buildings and

1 signs that are real property, but not including land or
2 improvements to real property that are not a structural
3 component of a building such as landscaping, sewer
4 lines, local access roads, fencing, parking lots, and
5 other appurtenances;

6 (B) is depreciable pursuant to Section 167 of the
7 Internal Revenue Code, except that "3-year property"
8 as defined in Section 168(c)(2)(A) of that Code is not
9 eligible for the credit provided by this subsection
10 (e);

11 (C) is acquired by purchase as defined in Section
12 179(d) of the Internal Revenue Code;

13 (D) is used in Illinois by a taxpayer who is
14 primarily engaged in manufacturing, or in mining coal
15 or fluorite, or in retailing, or was placed in service
16 on or after July 1, 2006 in a River Edge Redevelopment
17 Zone established pursuant to the River Edge
18 Redevelopment Zone Act; and

19 (E) has not previously been used in Illinois in
20 such a manner and by such a person as would qualify for
21 the credit provided by this subsection (e) or
22 subsection (f).

23 (3) For purposes of this subsection (e),
24 "manufacturing" means the material staging and production
25 of tangible personal property by procedures commonly
26 regarded as manufacturing, processing, fabrication, or

1 assembling which changes some existing material into new
2 shapes, new qualities, or new combinations. For purposes of
3 this subsection (e) the term "mining" shall have the same
4 meaning as the term "mining" in Section 613(c) of the
5 Internal Revenue Code. For purposes of this subsection (e),
6 the term "retailing" means the sale of tangible personal
7 property or services rendered in conjunction with the sale
8 of tangible consumer goods or commodities.

9 (4) The basis of qualified property shall be the basis
10 used to compute the depreciation deduction for federal
11 income tax purposes.

12 (5) If the basis of the property for federal income tax
13 depreciation purposes is increased after it has been placed
14 in service in Illinois by the taxpayer, the amount of such
15 increase shall be deemed property placed in service on the
16 date of such increase in basis.

17 (6) The term "placed in service" shall have the same
18 meaning as under Section 46 of the Internal Revenue Code.

19 (7) If during any taxable year, any property ceases to
20 be qualified property in the hands of the taxpayer within
21 48 months after being placed in service, or the situs of
22 any qualified property is moved outside Illinois within 48
23 months after being placed in service, the Personal Property
24 Tax Replacement Income Tax for such taxable year shall be
25 increased. Such increase shall be determined by (i)
26 recomputing the investment credit which would have been

1 allowed for the year in which credit for such property was
2 originally allowed by eliminating such property from such
3 computation and, (ii) subtracting such recomputed credit
4 from the amount of credit previously allowed. For the
5 purposes of this paragraph (7), a reduction of the basis of
6 qualified property resulting from a redetermination of the
7 purchase price shall be deemed a disposition of qualified
8 property to the extent of such reduction.

9 (8) Unless the investment credit is extended by law,
10 the basis of qualified property shall not include costs
11 incurred after December 31, 2008, except for costs incurred
12 pursuant to a binding contract entered into on or before
13 December 31, 2008.

14 (9) Each taxable year ending before December 31, 2000,
15 a partnership may elect to pass through to its partners the
16 credits to which the partnership is entitled under this
17 subsection (e) for the taxable year. A partner may use the
18 credit allocated to him or her under this paragraph only
19 against the tax imposed in subsections (c) and (d) of this
20 Section. If the partnership makes that election, those
21 credits shall be allocated among the partners in the
22 partnership in accordance with the rules set forth in
23 Section 704(b) of the Internal Revenue Code, and the rules
24 promulgated under that Section, and the allocated amount of
25 the credits shall be allowed to the partners for that
26 taxable year. The partnership shall make this election on

1 its Personal Property Tax Replacement Income Tax return for
2 that taxable year. The election to pass through the credits
3 shall be irrevocable.

4 For taxable years ending on or after December 31, 2000,
5 a partner that qualifies its partnership for a subtraction
6 under subparagraph (I) of paragraph (2) of subsection (d)
7 of Section 203 or a shareholder that qualifies a Subchapter
8 S corporation for a subtraction under subparagraph (S) of
9 paragraph (2) of subsection (b) of Section 203 shall be
10 allowed a credit under this subsection (e) equal to its
11 share of the credit earned under this subsection (e) during
12 the taxable year by the partnership or Subchapter S
13 corporation, determined in accordance with the
14 determination of income and distributive share of income
15 under Sections 702 and 704 and Subchapter S of the Internal
16 Revenue Code. This paragraph is exempt from the provisions
17 of Section 250.

18 (f) Investment credit; Enterprise Zone; River Edge
19 Redevelopment Zone.

20 (1) A taxpayer shall be allowed a credit against the
21 tax imposed by subsections (a) and (b) of this Section for
22 investment in qualified property which is placed in service
23 in an Enterprise Zone created pursuant to the Illinois
24 Enterprise Zone Act or, for property placed in service on
25 or after July 1, 2006, a River Edge Redevelopment Zone
26 established pursuant to the River Edge Redevelopment Zone

1 Act. For partners, shareholders of Subchapter S
2 corporations, and owners of limited liability companies,
3 if the liability company is treated as a partnership for
4 purposes of federal and State income taxation, there shall
5 be allowed a credit under this subsection (f) to be
6 determined in accordance with the determination of income
7 and distributive share of income under Sections 702 and 704
8 and Subchapter S of the Internal Revenue Code. The credit
9 shall be .5% of the basis for such property. The credit
10 shall be available only in the taxable year in which the
11 property is placed in service in the Enterprise Zone or
12 River Edge Redevelopment Zone and shall not be allowed to
13 the extent that it would reduce a taxpayer's liability for
14 the tax imposed by subsections (a) and (b) of this Section
15 to below zero. For tax years ending on or after December
16 31, 1985, the credit shall be allowed for the tax year in
17 which the property is placed in service, or, if the amount
18 of the credit exceeds the tax liability for that year,
19 whether it exceeds the original liability or the liability
20 as later amended, such excess may be carried forward and
21 applied to the tax liability of the 5 taxable years
22 following the excess credit year. The credit shall be
23 applied to the earliest year for which there is a
24 liability. If there is credit from more than one tax year
25 that is available to offset a liability, the credit
26 accruing first in time shall be applied first.

1 (2) The term qualified property means property which:

2 (A) is tangible, whether new or used, including
3 buildings and structural components of buildings;

4 (B) is depreciable pursuant to Section 167 of the
5 Internal Revenue Code, except that "3-year property"
6 as defined in Section 168(c)(2)(A) of that Code is not
7 eligible for the credit provided by this subsection
8 (f);

9 (C) is acquired by purchase as defined in Section
10 179(d) of the Internal Revenue Code;

11 (D) is used in the Enterprise Zone or River Edge
12 Redevelopment Zone by the taxpayer; and

13 (E) has not been previously used in Illinois in
14 such a manner and by such a person as would qualify for
15 the credit provided by this subsection (f) or
16 subsection (e).

17 (3) The basis of qualified property shall be the basis
18 used to compute the depreciation deduction for federal
19 income tax purposes.

20 (4) If the basis of the property for federal income tax
21 depreciation purposes is increased after it has been placed
22 in service in the Enterprise Zone or River Edge
23 Redevelopment Zone by the taxpayer, the amount of such
24 increase shall be deemed property placed in service on the
25 date of such increase in basis.

26 (5) The term "placed in service" shall have the same

1 meaning as under Section 46 of the Internal Revenue Code.

2 (6) If during any taxable year, any property ceases to
3 be qualified property in the hands of the taxpayer within
4 48 months after being placed in service, or the situs of
5 any qualified property is moved outside the Enterprise Zone
6 or River Edge Redevelopment Zone within 48 months after
7 being placed in service, the tax imposed under subsections
8 (a) and (b) of this Section for such taxable year shall be
9 increased. Such increase shall be determined by (i)
10 recomputing the investment credit which would have been
11 allowed for the year in which credit for such property was
12 originally allowed by eliminating such property from such
13 computation, and (ii) subtracting such recomputed credit
14 from the amount of credit previously allowed. For the
15 purposes of this paragraph (6), a reduction of the basis of
16 qualified property resulting from a redetermination of the
17 purchase price shall be deemed a disposition of qualified
18 property to the extent of such reduction.

19 (7) There shall be allowed an additional credit equal
20 to 0.5% of the basis of qualified property placed in
21 service during the taxable year in a River Edge
22 Redevelopment Zone, provided such property is placed in
23 service on or after July 1, 2006, and the taxpayer's base
24 employment within Illinois has increased by 1% or more over
25 the preceding year as determined by the taxpayer's
26 employment records filed with the Illinois Department of

1 Employment Security. Taxpayers who are new to Illinois
2 shall be deemed to have met the 1% growth in base
3 employment for the first year in which they file employment
4 records with the Illinois Department of Employment
5 Security. If, in any year, the increase in base employment
6 within Illinois over the preceding year is less than 1%,
7 the additional credit shall be limited to that percentage
8 times a fraction, the numerator of which is 0.5% and the
9 denominator of which is 1%, but shall not exceed 0.5%.

10 (g) Jobs Tax Credit; Enterprise Zone, River Edge
11 Redevelopment Zone, and Foreign Trade Zone or Sub-Zone.

12 (1) A taxpayer conducting a trade or business in an
13 enterprise zone or a High Impact Business designated by the
14 Department of Commerce and Economic Opportunity or for
15 taxable years ending on or after December 31, 2006, in a
16 River Edge Redevelopment Zone conducting a trade or
17 business in a federally designated Foreign Trade Zone or
18 Sub-Zone shall be allowed a credit against the tax imposed
19 by subsections (a) and (b) of this Section in the amount of
20 \$500 per eligible employee hired to work in the zone during
21 the taxable year.

22 (2) To qualify for the credit:

23 (A) the taxpayer must hire 5 or more eligible
24 employees to work in an enterprise zone, River Edge
25 Redevelopment Zone, or federally designated Foreign
26 Trade Zone or Sub-Zone during the taxable year;

1 (B) the taxpayer's total employment within the
2 enterprise zone, River Edge Redevelopment Zone, or
3 federally designated Foreign Trade Zone or Sub-Zone
4 must increase by 5 or more full-time employees beyond
5 the total employed in that zone at the end of the
6 previous tax year for which a jobs tax credit under
7 this Section was taken, or beyond the total employed by
8 the taxpayer as of December 31, 1985, whichever is
9 later; and

10 (C) the eligible employees must be employed 180
11 consecutive days in order to be deemed hired for
12 purposes of this subsection.

13 (3) An "eligible employee" means an employee who is:

14 (A) Certified by the Department of Commerce and
15 Economic Opportunity as "eligible for services"
16 pursuant to regulations promulgated in accordance with
17 Title II of the Job Training Partnership Act, Training
18 Services for the Disadvantaged or Title III of the Job
19 Training Partnership Act, Employment and Training
20 Assistance for Dislocated Workers Program.

21 (B) Hired after the enterprise zone, River Edge
22 Redevelopment Zone, or federally designated Foreign
23 Trade Zone or Sub-Zone was designated or the trade or
24 business was located in that zone, whichever is later.

25 (C) Employed in the enterprise zone, River Edge
26 Redevelopment Zone, or Foreign Trade Zone or Sub-Zone.

1 An employee is employed in an enterprise zone or
2 federally designated Foreign Trade Zone or Sub-Zone if
3 his services are rendered there or it is the base of
4 operations for the services performed.

5 (D) A full-time employee working 30 or more hours
6 per week.

7 (4) For tax years ending on or after December 31, 1985
8 and prior to December 31, 1988, the credit shall be allowed
9 for the tax year in which the eligible employees are hired.
10 For tax years ending on or after December 31, 1988, the
11 credit shall be allowed for the tax year immediately
12 following the tax year in which the eligible employees are
13 hired. If the amount of the credit exceeds the tax
14 liability for that year, whether it exceeds the original
15 liability or the liability as later amended, such excess
16 may be carried forward and applied to the tax liability of
17 the 5 taxable years following the excess credit year. The
18 credit shall be applied to the earliest year for which
19 there is a liability. If there is credit from more than one
20 tax year that is available to offset a liability, earlier
21 credit shall be applied first.

22 (5) The Department of Revenue shall promulgate such
23 rules and regulations as may be deemed necessary to carry
24 out the purposes of this subsection (g).

25 (6) The credit shall be available for eligible
26 employees hired on or after January 1, 1986.

1 (h) Investment credit; High Impact Business.

2 (1) Subject to subsections (b) and (b-5) of Section 5.5
3 of the Illinois Enterprise Zone Act, a taxpayer shall be
4 allowed a credit against the tax imposed by subsections (a)
5 and (b) of this Section for investment in qualified
6 property which is placed in service by a Department of
7 Commerce and Economic Opportunity designated High Impact
8 Business. The credit shall be .5% of the basis for such
9 property. The credit shall not be available (i) until the
10 minimum investments in qualified property set forth in
11 subdivision (a)(3)(A) of Section 5.5 of the Illinois
12 Enterprise Zone Act have been satisfied or (ii) until the
13 time authorized in subsection (b-5) of the Illinois
14 Enterprise Zone Act for entities designated as High Impact
15 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
16 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
17 Act, and shall not be allowed to the extent that it would
18 reduce a taxpayer's liability for the tax imposed by
19 subsections (a) and (b) of this Section to below zero. The
20 credit applicable to such investments shall be taken in the
21 taxable year in which such investments have been completed.
22 The credit for additional investments beyond the minimum
23 investment by a designated high impact business authorized
24 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
25 Enterprise Zone Act shall be available only in the taxable
26 year in which the property is placed in service and shall

1 not be allowed to the extent that it would reduce a
2 taxpayer's liability for the tax imposed by subsections (a)
3 and (b) of this Section to below zero. For tax years ending
4 on or after December 31, 1987, the credit shall be allowed
5 for the tax year in which the property is placed in
6 service, or, if the amount of the credit exceeds the tax
7 liability for that year, whether it exceeds the original
8 liability or the liability as later amended, such excess
9 may be carried forward and applied to the tax liability of
10 the 5 taxable years following the excess credit year. The
11 credit shall be applied to the earliest year for which
12 there is a liability. If there is credit from more than one
13 tax year that is available to offset a liability, the
14 credit accruing first in time shall be applied first.

15 Changes made in this subdivision (h) (1) by Public Act
16 88-670 restore changes made by Public Act 85-1182 and
17 reflect existing law.

18 (2) The term qualified property means property which:

19 (A) is tangible, whether new or used, including
20 buildings and structural components of buildings;

21 (B) is depreciable pursuant to Section 167 of the
22 Internal Revenue Code, except that "3-year property"
23 as defined in Section 168(c) (2) (A) of that Code is not
24 eligible for the credit provided by this subsection
25 (h);

26 (C) is acquired by purchase as defined in Section

1 179(d) of the Internal Revenue Code; and

2 (D) is not eligible for the Enterprise Zone
3 Investment Credit provided by subsection (f) of this
4 Section.

5 (3) The basis of qualified property shall be the basis
6 used to compute the depreciation deduction for federal
7 income tax purposes.

8 (4) If the basis of the property for federal income tax
9 depreciation purposes is increased after it has been placed
10 in service in a federally designated Foreign Trade Zone or
11 Sub-Zone located in Illinois by the taxpayer, the amount of
12 such increase shall be deemed property placed in service on
13 the date of such increase in basis.

14 (5) The term "placed in service" shall have the same
15 meaning as under Section 46 of the Internal Revenue Code.

16 (6) If during any taxable year ending on or before
17 December 31, 1996, any property ceases to be qualified
18 property in the hands of the taxpayer within 48 months
19 after being placed in service, or the situs of any
20 qualified property is moved outside Illinois within 48
21 months after being placed in service, the tax imposed under
22 subsections (a) and (b) of this Section for such taxable
23 year shall be increased. Such increase shall be determined
24 by (i) recomputing the investment credit which would have
25 been allowed for the year in which credit for such property
26 was originally allowed by eliminating such property from

1 such computation, and (ii) subtracting such recomputed
2 credit from the amount of credit previously allowed. For
3 the purposes of this paragraph (6), a reduction of the
4 basis of qualified property resulting from a
5 redetermination of the purchase price shall be deemed a
6 disposition of qualified property to the extent of such
7 reduction.

8 (7) Beginning with tax years ending after December 31,
9 1996, if a taxpayer qualifies for the credit under this
10 subsection (h) and thereby is granted a tax abatement and
11 the taxpayer relocates its entire facility in violation of
12 the explicit terms and length of the contract under Section
13 18-183 of the Property Tax Code, the tax imposed under
14 subsections (a) and (b) of this Section shall be increased
15 for the taxable year in which the taxpayer relocated its
16 facility by an amount equal to the amount of credit
17 received by the taxpayer under this subsection (h).

18 (i) Credit for Personal Property Tax Replacement Income
19 Tax. For tax years ending prior to December 31, 2003, a credit
20 shall be allowed against the tax imposed by subsections (a) and
21 (b) of this Section for the tax imposed by subsections (c) and
22 (d) of this Section. This credit shall be computed by
23 multiplying the tax imposed by subsections (c) and (d) of this
24 Section by a fraction, the numerator of which is base income
25 allocable to Illinois and the denominator of which is Illinois
26 base income, and further multiplying the product by the tax

1 rate imposed by subsections (a) and (b) of this Section.

2 Any credit earned on or after December 31, 1986 under this
3 subsection which is unused in the year the credit is computed
4 because it exceeds the tax liability imposed by subsections (a)
5 and (b) for that year (whether it exceeds the original
6 liability or the liability as later amended) may be carried
7 forward and applied to the tax liability imposed by subsections
8 (a) and (b) of the 5 taxable years following the excess credit
9 year, provided that no credit may be carried forward to any
10 year ending on or after December 31, 2003. This credit shall be
11 applied first to the earliest year for which there is a
12 liability. If there is a credit under this subsection from more
13 than one tax year that is available to offset a liability the
14 earliest credit arising under this subsection shall be applied
15 first.

16 If, during any taxable year ending on or after December 31,
17 1986, the tax imposed by subsections (c) and (d) of this
18 Section for which a taxpayer has claimed a credit under this
19 subsection (i) is reduced, the amount of credit for such tax
20 shall also be reduced. Such reduction shall be determined by
21 recomputing the credit to take into account the reduced tax
22 imposed by subsections (c) and (d). If any portion of the
23 reduced amount of credit has been carried to a different
24 taxable year, an amended return shall be filed for such taxable
25 year to reduce the amount of credit claimed.

26 (j) Training expense credit. Beginning with tax years

1 ending on or after December 31, 1986 and prior to December 31,
2 2003, a taxpayer shall be allowed a credit against the tax
3 imposed by subsections (a) and (b) under this Section for all
4 amounts paid or accrued, on behalf of all persons employed by
5 the taxpayer in Illinois or Illinois residents employed outside
6 of Illinois by a taxpayer, for educational or vocational
7 training in semi-technical or technical fields or semi-skilled
8 or skilled fields, which were deducted from gross income in the
9 computation of taxable income. The credit against the tax
10 imposed by subsections (a) and (b) shall be 1.6% of such
11 training expenses. For partners, shareholders of subchapter S
12 corporations, and owners of limited liability companies, if the
13 liability company is treated as a partnership for purposes of
14 federal and State income taxation, there shall be allowed a
15 credit under this subsection (j) to be determined in accordance
16 with the determination of income and distributive share of
17 income under Sections 702 and 704 and subchapter S of the
18 Internal Revenue Code.

19 Any credit allowed under this subsection which is unused in
20 the year the credit is earned may be carried forward to each of
21 the 5 taxable years following the year for which the credit is
22 first computed until it is used. This credit shall be applied
23 first to the earliest year for which there is a liability. If
24 there is a credit under this subsection from more than one tax
25 year that is available to offset a liability the earliest
26 credit arising under this subsection shall be applied first. No

1 carryforward credit may be claimed in any tax year ending on or
2 after December 31, 2003.

3 (k) Research and development credit.

4 For tax years ending after July 1, 1990 and prior to
5 December 31, 2003, and beginning again for tax years ending on
6 or after December 31, 2004, a taxpayer shall be allowed a
7 credit against the tax imposed by subsections (a) and (b) of
8 this Section for increasing research activities in this State.
9 The credit allowed against the tax imposed by subsections (a)
10 and (b) shall be equal to 6 1/2% of the qualifying expenditures
11 for increasing research activities in this State. For partners,
12 shareholders of subchapter S corporations, and owners of
13 limited liability companies, if the liability company is
14 treated as a partnership for purposes of federal and State
15 income taxation, there shall be allowed a credit under this
16 subsection to be determined in accordance with the
17 determination of income and distributive share of income under
18 Sections 702 and 704 and subchapter S of the Internal Revenue
19 Code.

20 For purposes of this subsection, "qualifying expenditures"
21 means the qualifying expenditures as defined for the federal
22 credit for increasing research activities which would be
23 allowable under Section 41 of the Internal Revenue Code and
24 which are conducted in this State, "qualifying expenditures for
25 increasing research activities in this State" means the excess
26 of qualifying expenditures for the taxable year in which

1 incurred over qualifying expenditures for the base period,
2 "qualifying expenditures for the base period" means the average
3 of the qualifying expenditures for each year in the base
4 period, and "base period" means the 3 taxable years immediately
5 preceding the taxable year for which the determination is being
6 made.

7 Any credit in excess of the tax liability for the taxable
8 year may be carried forward. A taxpayer may elect to have the
9 unused credit shown on its final completed return carried over
10 as a credit against the tax liability for the following 5
11 taxable years or until it has been fully used, whichever occurs
12 first; provided that no credit earned in a tax year ending
13 prior to December 31, 2003 may be carried forward to any year
14 ending on or after December 31, 2003.

15 If an unused credit is carried forward to a given year from
16 2 or more earlier years, that credit arising in the earliest
17 year will be applied first against the tax liability for the
18 given year. If a tax liability for the given year still
19 remains, the credit from the next earliest year will then be
20 applied, and so on, until all credits have been used or no tax
21 liability for the given year remains. Any remaining unused
22 credit or credits then will be carried forward to the next
23 following year in which a tax liability is incurred, except
24 that no credit can be carried forward to a year which is more
25 than 5 years after the year in which the expense for which the
26 credit is given was incurred.

1 No inference shall be drawn from this amendatory Act of the
2 91st General Assembly in construing this Section for taxable
3 years beginning before January 1, 1999.

4 (1) Environmental Remediation Tax Credit.

5 (i) For tax years ending after December 31, 1997 and on
6 or before December 31, 2001, a taxpayer shall be allowed a
7 credit against the tax imposed by subsections (a) and (b)
8 of this Section for certain amounts paid for unreimbursed
9 eligible remediation costs, as specified in this
10 subsection. For purposes of this Section, "unreimbursed
11 eligible remediation costs" means costs approved by the
12 Illinois Environmental Protection Agency ("Agency") under
13 Section 58.14 of the Environmental Protection Act that were
14 paid in performing environmental remediation at a site for
15 which a No Further Remediation Letter was issued by the
16 Agency and recorded under Section 58.10 of the
17 Environmental Protection Act. The credit must be claimed
18 for the taxable year in which Agency approval of the
19 eligible remediation costs is granted. The credit is not
20 available to any taxpayer if the taxpayer or any related
21 party caused or contributed to, in any material respect, a
22 release of regulated substances on, in, or under the site
23 that was identified and addressed by the remedial action
24 pursuant to the Site Remediation Program of the
25 Environmental Protection Act. After the Pollution Control
26 Board rules are adopted pursuant to the Illinois

1 Administrative Procedure Act for the administration and
2 enforcement of Section 58.9 of the Environmental
3 Protection Act, determinations as to credit availability
4 for purposes of this Section shall be made consistent with
5 those rules. For purposes of this Section, "taxpayer"
6 includes a person whose tax attributes the taxpayer has
7 succeeded to under Section 381 of the Internal Revenue Code
8 and "related party" includes the persons disallowed a
9 deduction for losses by paragraphs (b), (c), and (f)(1) of
10 Section 267 of the Internal Revenue Code by virtue of being
11 a related taxpayer, as well as any of its partners. The
12 credit allowed against the tax imposed by subsections (a)
13 and (b) shall be equal to 25% of the unreimbursed eligible
14 remediation costs in excess of \$100,000 per site, except
15 that the \$100,000 threshold shall not apply to any site
16 contained in an enterprise zone as determined by the
17 Department of Commerce and Community Affairs (now
18 Department of Commerce and Economic Opportunity). The
19 total credit allowed shall not exceed \$40,000 per year with
20 a maximum total of \$150,000 per site. For partners and
21 shareholders of subchapter S corporations, there shall be
22 allowed a credit under this subsection to be determined in
23 accordance with the determination of income and
24 distributive share of income under Sections 702 and 704 and
25 subchapter S of the Internal Revenue Code.

26 (ii) A credit allowed under this subsection that is

1 unused in the year the credit is earned may be carried
2 forward to each of the 5 taxable years following the year
3 for which the credit is first earned until it is used. The
4 term "unused credit" does not include any amounts of
5 unreimbursed eligible remediation costs in excess of the
6 maximum credit per site authorized under paragraph (i).
7 This credit shall be applied first to the earliest year for
8 which there is a liability. If there is a credit under this
9 subsection from more than one tax year that is available to
10 offset a liability, the earliest credit arising under this
11 subsection shall be applied first. A credit allowed under
12 this subsection may be sold to a buyer as part of a sale of
13 all or part of the remediation site for which the credit
14 was granted. The purchaser of a remediation site and the
15 tax credit shall succeed to the unused credit and remaining
16 carry-forward period of the seller. To perfect the
17 transfer, the assignor shall record the transfer in the
18 chain of title for the site and provide written notice to
19 the Director of the Illinois Department of Revenue of the
20 assignor's intent to sell the remediation site and the
21 amount of the tax credit to be transferred as a portion of
22 the sale. In no event may a credit be transferred to any
23 taxpayer if the taxpayer or a related party would not be
24 eligible under the provisions of subsection (i).

25 (iii) For purposes of this Section, the term "site"
26 shall have the same meaning as under Section 58.2 of the

1 Environmental Protection Act.

2 (m) Education expense credit. Beginning with tax years
3 ending after December 31, 1999, a taxpayer who is the custodian
4 of one or more qualifying pupils shall be allowed a credit
5 against the tax imposed by subsections (a) and (b) of this
6 Section for qualified education expenses incurred on behalf of
7 the qualifying pupils. The credit shall be equal to 25% of
8 qualified education expenses, but in no event may the total
9 credit under this subsection claimed by a family that is the
10 custodian of qualifying pupils exceed \$500 for taxable years
11 ending on or before June 30, 2009 and \$1,000 for taxable years
12 beginning on or after July 1, 2009. In no event shall a credit
13 under this subsection reduce the taxpayer's liability under
14 this Act to less than zero. This subsection is exempt from the
15 provisions of Section 250 of this Act.

16 For purposes of this subsection:

17 "Qualifying pupils" means individuals who (i) are
18 residents of the State of Illinois, (ii) are under the age of
19 21 at the close of the school year for which a credit is
20 sought, and (iii) during the school year for which a credit is
21 sought were full-time pupils enrolled in a kindergarten through
22 twelfth grade education program at any school, as defined in
23 this subsection.

24 "Qualified education expense" means the amount incurred on
25 behalf of a qualifying pupil in excess of \$250 for tuition,
26 book fees, and lab fees at the school in which the pupil is

1 enrolled during the regular school year.

2 "School" means any public or nonpublic elementary or
3 secondary school in Illinois that is in compliance with Title
4 VI of the Civil Rights Act of 1964 and attendance at which
5 satisfies the requirements of Section 26-1 of the School Code,
6 except that nothing shall be construed to require a child to
7 attend any particular public or nonpublic school to qualify for
8 the credit under this Section.

9 "Custodian" means, with respect to qualifying pupils, an
10 Illinois resident who is a parent, the parents, a legal
11 guardian, or the legal guardians of the qualifying pupils.

12 (n) River Edge Redevelopment Zone site remediation tax
13 credit.

14 (i) For tax years ending on or after December 31, 2006,
15 a taxpayer shall be allowed a credit against the tax
16 imposed by subsections (a) and (b) of this Section for
17 certain amounts paid for unreimbursed eligible remediation
18 costs, as specified in this subsection. For purposes of
19 this Section, "unreimbursed eligible remediation costs"
20 means costs approved by the Illinois Environmental
21 Protection Agency ("Agency") under Section 58.14a of the
22 Environmental Protection Act that were paid in performing
23 environmental remediation at a site within a River Edge
24 Redevelopment Zone for which a No Further Remediation
25 Letter was issued by the Agency and recorded under Section
26 58.10 of the Environmental Protection Act. The credit must

1 be claimed for the taxable year in which Agency approval of
2 the eligible remediation costs is granted. The credit is
3 not available to any taxpayer if the taxpayer or any
4 related party caused or contributed to, in any material
5 respect, a release of regulated substances on, in, or under
6 the site that was identified and addressed by the remedial
7 action pursuant to the Site Remediation Program of the
8 Environmental Protection Act. Determinations as to credit
9 availability for purposes of this Section shall be made
10 consistent with rules adopted by the Pollution Control
11 Board pursuant to the Illinois Administrative Procedure
12 Act for the administration and enforcement of Section 58.9
13 of the Environmental Protection Act. For purposes of this
14 Section, "taxpayer" includes a person whose tax attributes
15 the taxpayer has succeeded to under Section 381 of the
16 Internal Revenue Code and "related party" includes the
17 persons disallowed a deduction for losses by paragraphs
18 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
19 Code by virtue of being a related taxpayer, as well as any
20 of its partners. The credit allowed against the tax imposed
21 by subsections (a) and (b) shall be equal to 25% of the
22 unreimbursed eligible remediation costs in excess of
23 \$100,000 per site.

24 (ii) A credit allowed under this subsection that is
25 unused in the year the credit is earned may be carried
26 forward to each of the 5 taxable years following the year

1 for which the credit is first earned until it is used. This
2 credit shall be applied first to the earliest year for
3 which there is a liability. If there is a credit under this
4 subsection from more than one tax year that is available to
5 offset a liability, the earliest credit arising under this
6 subsection shall be applied first. A credit allowed under
7 this subsection may be sold to a buyer as part of a sale of
8 all or part of the remediation site for which the credit
9 was granted. The purchaser of a remediation site and the
10 tax credit shall succeed to the unused credit and remaining
11 carry-forward period of the seller. To perfect the
12 transfer, the assignor shall record the transfer in the
13 chain of title for the site and provide written notice to
14 the Director of the Illinois Department of Revenue of the
15 assignor's intent to sell the remediation site and the
16 amount of the tax credit to be transferred as a portion of
17 the sale. In no event may a credit be transferred to any
18 taxpayer if the taxpayer or a related party would not be
19 eligible under the provisions of subsection (i).

20 (iii) For purposes of this Section, the term "site"
21 shall have the same meaning as under Section 58.2 of the
22 Environmental Protection Act.

23 (iv) This subsection is exempt from the provisions of
24 Section 250.

25 (Source: P.A. 94-1021, eff. 7-12-06; 95-454, eff. 8-27-07.)

1 (35 ILCS 5/202.5 new)

2 Sec. 202.5. Net income attributable to the period prior to
3 July 1, 2009 and net income attributable to the period after
4 June 30, 2009.

5 (a) In general. With respect to the taxable year of a
6 taxpayer beginning prior to July 1, 2009, and ending after June
7 30, 2009, net income for the period after June 30, 2009, is
8 that amount that bears the same ratio to the taxpayer's net
9 income for the entire taxable year as the number of days in
10 that year after June 30, 2009, bears to the total number of
11 days in that year, and the net income for the period prior to
12 July 1, 2009 is that amount that bears the same ratio to the
13 taxpayer's net income for the entire taxable year as the number
14 of days in that year prior to July 1, 2009, bears to the total
15 number of days in that year.

16 (b) Election to attribute income and deduction items
17 specifically to the respective portions of a taxable year prior
18 to July 1, 2009, and after June 30, 2009. In the case of a
19 taxpayer with a taxable year beginning prior to July 1, 2009,
20 and ending after June 30, 2009, the taxpayer may elect, instead
21 of the procedure established in subsection (a) of this Section,
22 to determine net income on a specific accounting basis for the
23 2 portions of his or her taxable year:

24 (i) from the beginning of the taxable year through June
25 30, 2009; and

26 (ii) from July 1, 2009 through the end of the taxable

1 year.

2 The election provided by this subsection (b) must be made
3 in the form and manner that the Department requires by rule,
4 and must be made no later than the due date (including any
5 extensions thereof) for the filing of the return for the
6 taxable year, and is irrevocable.

7 (c) If the taxpayer elects specific accounting under
8 subsection (b):

9 (1) there shall be taken into account in computing base
10 income for each of the 2 portions of the taxable year only
11 those items earned, received, paid, incurred or accrued in
12 each such period;

13 (2) for purposes of apportioning business income of the
14 taxpayer, the provisions in Article 3 shall be applied on
15 the basis of the taxpayer's full taxable year, without
16 regard to this Section;

17 (3) the net loss carryforward deduction for the taxable
18 year under Section 207 may not exceed combined net income
19 of both portions of the taxable year, and shall be used
20 against the income of the portion of the taxable year from
21 the beginning of the taxable year through June 30, 2009,
22 before any remaining amount is used against the income of
23 the latter portion of the year; and

24 (d) Under subsection (a) or (b):

25 (1) the exemptions and credits allowed under Sections
26 204, 208, and 212, respectively, for the period prior to

1 July 1, 2009, shall be equal to the total exemptions or
2 credits, as applicable, that would be allowed for the
3 taxable year under Sections 204, 208, and 212,
4 respectively, as in effect before the effective date of
5 this amendatory Act of 2009, multiplied by the number of
6 months in the portion of the taxable year ending on or
7 before June 30, 2009 and divided by 12; and

8 (2) the exemptions and credits allowed under Sections
9 204, 208, and 212, respectively, for the period after June
10 30, 2009, through the end of the taxable year shall equal
11 to the total exemptions or credits, as applicable, allowed
12 under Sections 204, 208, or 212, as applicable, for the
13 taxable year, multiplied by the number of months in the
14 taxable year for the period beginning on July 1, 2009 and
15 divided by 12.

16 (35 ILCS 5/204) (from Ch. 120, par. 2-204)

17 Sec. 204. Standard Exemption.

18 (a) Allowance of exemption. In computing net income under
19 this Act, there shall be allowed as an exemption the sum of the
20 amounts determined under subsections (b), (c) and (d),
21 multiplied by a fraction the numerator of which is the amount
22 of the taxpayer's base income allocable to this State for the
23 taxable year and the denominator of which is the taxpayer's
24 total base income for the taxable year.

25 (b) Basic amount. For the purpose of subsection (a) of this

1 Section, except as provided by subsection (a) of Section 205
2 and in this subsection, each taxpayer shall be allowed a basic
3 amount of \$1000, except that for corporations the basic amount
4 shall be zero for tax years ending on or after December 31,
5 2003, and for individuals the basic amount shall be:

6 (1) for taxable years ending on or after December 31,
7 1998 and prior to December 31, 1999, \$1,300;

8 (2) for taxable years ending on or after December 31,
9 1999 and prior to December 31, 2000, \$1,650;

10 (3) for taxable years ending on or after December 31,
11 2000 and prior to July 1, 2009, \$2,000;

12 (4) for taxable years ending after June 30, 2009 and
13 prior to December 31, 2010, \$3,000, except that, for
14 taxable years beginning before July 1, 2009, and ending
15 after June 30, 2009, the exemption for the taxable year
16 shall be determined under Section 202.5(d); and

17 (5) for taxable years ending on or after December 31,
18 2010, \$3,000.

19 For taxable years ending on or after December 31, 1992, a
20 taxpayer whose Illinois base income exceeds the basic amount
21 and who is claimed as a dependent on another person's tax
22 return under the Internal Revenue Code of 1986 shall not be
23 allowed any basic amount under this subsection.

24 (c) Additional amount for individuals. In the case of an
25 individual taxpayer, there shall be allowed for the purpose of
26 subsection (a), in addition to the basic amount provided by

1 subsection (b), an additional exemption equal to the basic
2 amount for each exemption in excess of one allowable to such
3 individual taxpayer for the taxable year under Section 151 of
4 the Internal Revenue Code.

5 (d) Additional exemptions for an individual taxpayer and
6 his or her spouse. In the case of an individual taxpayer and
7 his or her spouse, he or she shall each be allowed additional
8 exemptions as follows:

9 (1) Additional exemption for taxpayer or spouse 65
10 years of age or older.

11 (A) For taxpayer. An additional exemption of
12 \$1,000 for the taxpayer if he or she has attained the
13 age of 65 before the end of the taxable year.

14 (B) For spouse when a joint return is not filed. An
15 additional exemption of \$1,000 for the spouse of the
16 taxpayer if a joint return is not made by the taxpayer
17 and his spouse, and if the spouse has attained the age
18 of 65 before the end of such taxable year, and, for the
19 calendar year in which the taxable year of the taxpayer
20 begins, has no gross income and is not the dependent of
21 another taxpayer.

22 (2) Additional exemption for blindness of taxpayer or
23 spouse.

24 (A) For taxpayer. An additional exemption of
25 \$1,000 for the taxpayer if he or she is blind at the
26 end of the taxable year.

1 (B) For spouse when a joint return is not filed. An
2 additional exemption of \$1,000 for the spouse of the
3 taxpayer if a separate return is made by the taxpayer,
4 and if the spouse is blind and, for the calendar year
5 in which the taxable year of the taxpayer begins, has
6 no gross income and is not the dependent of another
7 taxpayer. For purposes of this paragraph, the
8 determination of whether the spouse is blind shall be
9 made as of the end of the taxable year of the taxpayer;
10 except that if the spouse dies during such taxable year
11 such determination shall be made as of the time of such
12 death.

13 (C) Blindness defined. For purposes of this
14 subsection, an individual is blind only if his or her
15 central visual acuity does not exceed 20/200 in the
16 better eye with correcting lenses, or if his or her
17 visual acuity is greater than 20/200 but is accompanied
18 by a limitation in the fields of vision such that the
19 widest diameter of the visual fields subtends an angle
20 no greater than 20 degrees.

21 (e) Cross reference. See Article 3 for the manner of
22 determining base income allocable to this State.

23 (f) Application of Section 250. Section 250 does not apply
24 to ~~the amendments to this Section made by Public Act 90-613.~~

25 (Source: P.A. 93-29, eff. 6-20-03.)

1 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

2 Sec. 208. Tax credit for residential real property taxes.
3 Beginning with tax years ending on or after December 31, 1991
4 and prior to July 1, 2009, every individual taxpayer shall be
5 entitled to a tax credit equal to 5% of real property taxes
6 paid by such taxpayer during the taxable year on the principal
7 residence of the taxpayer. In the case of multi-unit or
8 multi-use structures and farm dwellings, the taxes on the
9 taxpayer's principal residence shall be that portion of the
10 total taxes which is attributable to such principal residence.

11 For tax years ending after June 30, 2009 and prior to
12 December 31, 2010, every individual taxpayer shall be entitled
13 to a tax credit equal to 10% of real property taxes paid by the
14 taxpayer during the taxable year on real property situated
15 within the State; except that, for taxable years beginning
16 before July 1, 2009, and ending after June 30, 2009, the credit
17 for the taxable year shall be determined under Section
18 202.5(d). In the case of multi-unit or multi-use structures,
19 the taxes on the taxpayer's principal residence shall be that
20 portion of the total taxes that is attributable to the
21 principal residence.

22 For tax years ending on or after December 31, 2010, every
23 individual taxpayer shall be entitled to a tax credit equal to
24 10% of real property taxes paid by the taxpayer during the
25 taxable year on real property situated within the State. In the
26 case of multi-unit or multi-use structures, the taxes on the

1 taxpayer's principal residence shall be that portion of the
2 total taxes that is attributable to the principal residence.

3 For tax years ending after June 30, 2009, the credit under
4 this Section shall not exceed \$1,500. For tax years thereafter,
5 the \$1,500 cap shall be increased by a percentage increase
6 equal to the percentage increase, if any, in the Consumer Price
7 Index for all Urban Consumers for the then most recently
8 compiled calendar year.

9 (Source: P.A. 87-17.)

10 (35 ILCS 5/212)

11 Sec. 212. Earned income tax credit.

12 (a) With respect to the federal earned income tax credit
13 allowed for the taxable year under Section 32 of the federal
14 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
15 is entitled to a credit against the tax imposed by subsections
16 (a) and (b) of Section 201 in an amount equal to the following:

17 (1) for each taxable year beginning on or after January
18 1, 2000 and ending before or during calendar year 2008, the
19 amount of the credit is 5% of the federal tax credit;

20 (2) for each taxable year ending during calendar year
21 2009 and thereafter, the amount of the credit is 15% of the
22 federal tax credit. ~~5% of the federal tax credit for each~~
23 ~~taxable year beginning on or after January 1, 2000.~~

24 For a non-resident or part-year resident, the amount of the
25 credit under this Section shall be in proportion to the amount

1 of income attributable to this State.

2 (b) For taxable years beginning before January 1, 2003, in
3 no event shall a credit under this Section reduce the
4 taxpayer's liability to less than zero. For each taxable year
5 beginning on or after January 1, 2003, if the amount of the
6 credit exceeds the income tax liability for the applicable tax
7 year, then the excess credit shall be refunded to the taxpayer.
8 The amount of a refund shall not be included in the taxpayer's
9 income or resources for the purposes of determining eligibility
10 or benefit level in any means-tested benefit program
11 administered by a governmental entity unless required by
12 federal law.

13 (c) This Section is exempt from the provisions of Section
14 250.

15 (Source: P.A. 95-333, eff. 8-21-07.)

16 (35 ILCS 5/804) (from Ch. 120, par. 8-804)

17 Sec. 804. Failure to Pay Estimated Tax.

18 (a) In general. In case of any underpayment of estimated
19 tax by a taxpayer, except as provided in subsection (d) or (e),
20 the taxpayer shall be liable to a penalty in an amount
21 determined at the rate prescribed by Section 3-3 of the Uniform
22 Penalty and Interest Act upon the amount of the underpayment
23 (determined under subsection (b)) for each required
24 installment.

25 (b) Amount of underpayment. For purposes of subsection (a),

1 the amount of the underpayment shall be the excess of:

2 (1) the amount of the installment which would be
3 required to be paid under subsection (c), over

4 (2) the amount, if any, of the installment paid on or
5 before the last date prescribed for payment.

6 (c) Amount of Required Installments.

7 (1) Amount.

8 (A) In General. Except as provided in paragraph
9 (2), the amount of any required installment shall be
10 25% of the required annual payment.

11 (B) Required Annual Payment. For purposes of
12 subparagraph (A), the term "required annual payment"
13 means the lesser of

14 (i) 90% of the tax shown on the return for the
15 taxable year, or if no return is filed, 90% of the
16 tax for such year, ~~or~~

17 (ii) for installments due prior to April 1,
18 2010, and installments due after April 1, 2011,
19 100% of the tax shown on the return of the taxpayer
20 for the preceding taxable year if a return showing
21 a liability for tax was filed by the taxpayer for
22 the preceding taxable year and such preceding year
23 was a taxable year of 12 months; or -

24 (iii) for installments due after April 1, 2010
25 and prior to April 1, 2011, 120% of the tax shown
26 on the return of the taxpayer for the preceding

1 taxable year if a return showing a liability for
2 tax was filed by the taxpayer for the preceding
3 taxable year and that preceding year was a taxable
4 year of 12 months; except that the amount due for
5 the first installment due after April 1, 2010,
6 shall equal the amount that, when added to the
7 total of all prior installments paid for that
8 taxable year, equals the total of the installments
9 that would be due if this item (iii) had applied to
10 all installments due for that taxable year.

11 (2) Lower Required Installment where Annualized Income
12 Installment is Less Than Amount Determined Under Paragraph
13 (1).

14 (A) In General. In the case of any required
15 installment if a taxpayer establishes that the
16 annualized income installment is less than the amount
17 determined under paragraph (1),

18 (i) the amount of such required installment
19 shall be the annualized income installment, and

20 (ii) any reduction in a required installment
21 resulting from the application of this
22 subparagraph shall be recaptured by increasing the
23 amount of the next required installment determined
24 under paragraph (1) by the amount of such
25 reduction, and by increasing subsequent required
26 installments to the extent that the reduction has

1 not previously been recaptured under this clause.

2 (B) Determination of Annualized Income
3 Installment. In the case of any required installment,
4 the annualized income installment is the excess, if
5 any, of

6 (i) an amount equal to the applicable
7 percentage of the tax for the taxable year computed
8 by placing on an annualized basis the net income
9 for months in the taxable year ending before the
10 due date for the installment, over

11 (ii) the aggregate amount of any prior
12 required installments for the taxable year.

13 (C) Applicable Percentage.

14 In the case of the following The applicable
15 required installments: percentage is:

16	1st.....	22.5%
17	2nd.....	45%
18	3rd.....	67.5%
19	4th.....	90%

20 (D) Annualized Net Income; Individuals. For
21 individuals, net income shall be placed on an
22 annualized basis by:

23 (i) multiplying by 12, or in the case of a
24 taxable year of less than 12 months, by the number
25 of months in the taxable year, the net income
26 computed without regard to the standard exemption

1 for the months in the taxable year ending before
2 the month in which the installment is required to
3 be paid;

4 (ii) dividing the resulting amount by the
5 number of months in the taxable year ending before
6 the month in which such installment date falls; and

7 (iii) deducting from such amount the standard
8 exemption allowable for the taxable year, such
9 standard exemption being determined as of the last
10 date prescribed for payment of the installment.

11 (E) Annualized Net Income; Corporations. For
12 corporations, net income shall be placed on an
13 annualized basis by multiplying by 12 the taxable
14 income

15 (i) for the first 3 months of the taxable year,
16 in the case of the installment required to be paid
17 in the 4th month,

18 (ii) for the first 3 months or for the first 5
19 months of the taxable year, in the case of the
20 installment required to be paid in the 6th month,

21 (iii) for the first 6 months or for the first 8
22 months of the taxable year, in the case of the
23 installment required to be paid in the 9th month,
24 and

25 (iv) for the first 9 months or for the first 11
26 months of the taxable year, in the case of the

1 installment required to be paid in the 12th month
2 of the taxable year,
3 then dividing the resulting amount by the number of
4 months in the taxable year (3, 5, 6, 8, 9, or 11 as the
5 case may be).

6 (d) Exceptions. Notwithstanding the provisions of the
7 preceding subsections, the penalty imposed by subsection (a)
8 shall not be imposed if the taxpayer was not required to file
9 an Illinois income tax return for the preceding taxable year,
10 or, for individuals, if the taxpayer had no tax liability for
11 the preceding taxable year and such year was a taxable year of
12 12 months. The penalty imposed by subsection (a) shall also not
13 be imposed on any underpayments of estimated tax due before the
14 effective date of this amendatory Act of 1998 which
15 underpayments are solely attributable to the change in
16 apportionment from subsection (a) to subsection (h) of Section
17 304. The provisions of this amendatory Act of 1998 apply to tax
18 years ending on or after December 31, 1998.

19 (e) The penalty imposed for underpayment of estimated tax
20 by subsection (a) of this Section shall not be imposed to the
21 extent that the Director or his or her designate determines,
22 pursuant to Section 3-8 of the Uniform Penalty and Interest Act
23 that the penalty should not be imposed.

24 (f) Definition of tax. For purposes of subsections (b) and
25 (c), the term "tax" means the excess of the tax imposed under
26 Article 2 of this Act, over the amounts credited against such

1 tax under Sections 601(b) (3) and (4).

2 (g) Application of Section in case of tax withheld under
3 Article 7. For purposes of applying this Section:

4 (1) in the case of an individual, tax withheld from
5 compensation for the taxable year shall be deemed a payment
6 of estimated tax, and an equal part of such amount shall be
7 deemed paid on each installment date for such taxable year,
8 unless the taxpayer establishes the dates on which all
9 amounts were actually withheld, in which case the amounts
10 so withheld shall be deemed payments of estimated tax on
11 the dates on which such amounts were actually withheld;

12 (2) amounts timely paid by a partnership, Subchapter S
13 corporation, or trust on behalf of a partner, shareholder,
14 or beneficiary pursuant to subsection (f) of Section 502 or
15 Section 709.5 and claimed as a payment of estimated tax
16 shall be deemed a payment of estimated tax made on the last
17 day of the taxable year of the partnership, Subchapter S
18 corporation, or trust for which the income from the
19 withholding is made was computed; and

20 (3) all other amounts pursuant to Article 7 shall be
21 deemed a payment of estimated tax on the date the payment
22 is made to the taxpayer of the amount from which the tax is
23 withheld.

24 (g-5) Amounts withheld under the State Salary and Annuity
25 Withholding Act. An individual who has amounts withheld under
26 paragraph (10) of Section 4 of the State Salary and Annuity

1 Withholding Act may elect to have those amounts treated as
2 payments of estimated tax made on the dates on which those
3 amounts are actually withheld.

4 (i) Short taxable year. The application of this Section to
5 taxable years of less than 12 months shall be in accordance
6 with regulations prescribed by the Department.

7 The changes in this Section made by Public Act 84-127 shall
8 apply to taxable years ending on or after January 1, 1986.

9 (Source: P.A. 95-233, eff. 8-16-07.)

10 Section 20. The Retailers' Occupation Tax Act is amended by
11 changing Sections 1 and 2 as follows:

12 (35 ILCS 120/1) (from Ch. 120, par. 440)

13 Sec. 1. Definitions. "Sale at retail" means any transfer of
14 the ownership of or title to tangible personal property to a
15 purchaser, for the purpose of use or consumption, and not for
16 the purpose of resale in any form as tangible personal property
17 to the extent not first subjected to a use for which it was
18 purchased, for a valuable consideration: Provided that the
19 property purchased is deemed to be purchased for the purpose of
20 resale, despite first being used, to the extent to which it is
21 resold as an ingredient of an intentionally produced product or
22 byproduct of manufacturing. For this purpose, slag produced as
23 an incident to manufacturing pig iron or steel and sold is
24 considered to be an intentionally produced byproduct of

1 manufacturing. Transactions whereby the possession of the
2 property is transferred but the seller retains the title as
3 security for payment of the selling price shall be deemed to be
4 sales.

5 "Sale at retail" shall be construed to include any transfer
6 of the ownership of or title to tangible personal property to a
7 purchaser, for use or consumption by any other person to whom
8 such purchaser may transfer the tangible personal property
9 without a valuable consideration, and to include any transfer,
10 whether made for or without a valuable consideration, for
11 resale in any form as tangible personal property unless made in
12 compliance with Section 2c of this Act.

13 Sales of tangible personal property, which property, to the
14 extent not first subjected to a use for which it was purchased,
15 as an ingredient or constituent, goes into and forms a part of
16 tangible personal property subsequently the subject of a "Sale
17 at retail", are not sales at retail as defined in this Act:
18 Provided that the property purchased is deemed to be purchased
19 for the purpose of resale, despite first being used, to the
20 extent to which it is resold as an ingredient of an
21 intentionally produced product or byproduct of manufacturing.

22 "Sale at retail" includes all of the following services, as
23 enumerated in the North American Industry Classification
24 System Manual (NAICS), 1997, prepared by the United States
25 Office of Management and Budget:

26 (1) Other warehousing and storage (household and

- 1 specialty goods) (49319).
- 2 (2) Travel agent services (56151).
- 3 (3) Carpet and upholstery cleaning services (56174).
- 4 (4) Dating services (8129902).
- 5 (5) Dry cleaning and laundry, except coin-operated
- 6 (81232).
- 7 (6) Consumer goods rental (5322).
- 8 (7) Health clubs, tanning parlors, reducing salons
- 9 (81219).
- 10 (8) Linen supply (812331).
- 11 (9) Interior design services (54141).
- 12 (10) Other business services, including copy shops
- 13 (561439).
- 14 (11) Bowling Centers (71395).
- 15 (12) Coin operated video games and pinball machines
- 16 (71312).
- 17 (13) Membership fees in private clubs (71391).
- 18 (14) Admission to spectator sports (excluding horse
- 19 tracks) (7112).
- 20 (15) Admission to cultural events (711).
- 21 (16) Billiard Parlors (71399).
- 22 (17) Scenic and sightseeing transportation (487).
- 23 (18) Taxi and Limousine services (4853).
- 24 (19) Unscheduled chartered passenger air
- 25 transportation (481211).
- 26 (20) Motion picture theaters, except drive-in theaters

- 1 (512131).
- 2 (21) Pet grooming (81291).
- 3 (22) Landscaping services (including lawn care)
4 (56173).
- 5 (23) Income from intrastate transportation of persons
6 (485).
- 7 (24) Mini-storage (53113).
- 8 (25) Household goods storage (49311).
- 9 (26) Cold storage (49312).
- 10 (27) Marina Service (docking, storage, cleaning,
11 repair) (71393).
- 12 (28) Marine towing service (including tugboats)
13 (48833).
- 14 (29) Gift and package wrapping service (5619).
- 15 (30) Laundry and dry cleaning services, coin-operated
16 (81231).
- 17 (31) Other services to buildings and dwellings
18 (56179).
- 19 (32) Water softening and conditioning (5619902).
- 20 (33) Internet Service Providers (518111).
- 21 (34) Short term auto rental (532111).
- 22 (35) Information Services (519190).
- 23 (36) Amusement park admission and rides (71311).
- 24 (37) Circuses and fairs -- admission and games (7113).
- 25 (38) Cable and other program distribution (5175).
- 26 (39) Rental of video tapes for home viewing (53223).

1 "Sale at retail" shall be construed to include any Illinois
2 florist's sales transaction in which the purchase order is
3 received in Illinois by a florist and the sale is for use or
4 consumption, but the Illinois florist has a florist in another
5 state deliver the property to the purchaser or the purchaser's
6 donee in such other state.

7 Nonreusable tangible personal property that is used by
8 persons engaged in the business of operating a restaurant,
9 cafeteria, or drive-in is a sale for resale when it is
10 transferred to customers in the ordinary course of business as
11 part of the sale of food or beverages and is used to deliver,
12 package, or consume food or beverages, regardless of where
13 consumption of the food or beverages occurs. Examples of those
14 items include, but are not limited to nonreusable, paper and
15 plastic cups, plates, baskets, boxes, sleeves, buckets or other
16 containers, utensils, straws, placemats, napkins, doggie bags,
17 and wrapping or packaging materials that are transferred to
18 customers as part of the sale of food or beverages in the
19 ordinary course of business.

20 The purchase, employment and transfer of such tangible
21 personal property as newsprint and ink for the primary purpose
22 of conveying news (with or without other information) is not a
23 purchase, use or sale of tangible personal property.

24 A person whose activities are organized and conducted
25 primarily as a not-for-profit service enterprise, and who
26 engages in selling tangible personal property at retail

1 (whether to the public or merely to members and their guests)
2 is engaged in the business of selling tangible personal
3 property at retail with respect to such transactions, excepting
4 only a person organized and operated exclusively for
5 charitable, religious or educational purposes either (1), to
6 the extent of sales by such person to its members, students,
7 patients or inmates of tangible personal property to be used
8 primarily for the purposes of such person, or (2), to the
9 extent of sales by such person of tangible personal property
10 which is not sold or offered for sale by persons organized for
11 profit. The selling of school books and school supplies by
12 schools at retail to students is not "primarily for the
13 purposes of" the school which does such selling. The provisions
14 of this paragraph shall not apply to nor subject to taxation
15 occasional dinners, socials or similar activities of a person
16 organized and operated exclusively for charitable, religious
17 or educational purposes, whether or not such activities are
18 open to the public.

19 A person who is the recipient of a grant or contract under
20 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
21 serves meals to participants in the federal Nutrition Program
22 for the Elderly in return for contributions established in
23 amount by the individual participant pursuant to a schedule of
24 suggested fees as provided for in the federal Act is not
25 engaged in the business of selling tangible personal property
26 at retail with respect to such transactions.

1 "Purchaser" means anyone who, through a sale at retail,
2 acquires the ownership of or title to tangible personal
3 property for a valuable consideration.

4 "Reseller of motor fuel" means any person engaged in the
5 business of selling or delivering or transferring title of
6 motor fuel to another person other than for use or consumption.
7 No person shall act as a reseller of motor fuel within this
8 State without first being registered as a reseller pursuant to
9 Section 2c or a retailer pursuant to Section 2a.

10 "Selling price" or the "amount of sale" means the
11 consideration for a sale valued in money whether received in
12 money or otherwise, including cash, credits, property, other
13 than as hereinafter provided, and services, but not including
14 the value of or credit given for traded-in tangible personal
15 property where the item that is traded-in is of like kind and
16 character as that which is being sold, and shall be determined
17 without any deduction on account of the cost of the property
18 sold, the cost of materials used, labor or service cost or any
19 other expense whatsoever, but does not include charges that are
20 added to prices by sellers on account of the seller's tax
21 liability under this Act, or on account of the seller's duty to
22 collect, from the purchaser, the tax that is imposed by the Use
23 Tax Act, or, except as otherwise provided with respect to any
24 cigarette tax imposed by a home rule unit, on account of the
25 seller's tax liability under any local occupation tax
26 administered by the Department, or, except as otherwise

1 provided with respect to any cigarette tax imposed by a home
2 rule unit on account of the seller's duty to collect, from the
3 purchasers, the tax that is imposed under any local use tax
4 administered by the Department. Effective December 1, 1985,
5 "selling price" shall include charges that are added to prices
6 by sellers on account of the seller's tax liability under the
7 Cigarette Tax Act, on account of the sellers' duty to collect,
8 from the purchaser, the tax imposed under the Cigarette Use Tax
9 Act, and on account of the seller's duty to collect, from the
10 purchaser, any cigarette tax imposed by a home rule unit.

11 The phrase "like kind and character" shall be liberally
12 construed (including but not limited to any form of motor
13 vehicle for any form of motor vehicle, or any kind of farm or
14 agricultural implement for any other kind of farm or
15 agricultural implement), while not including a kind of item
16 which, if sold at retail by that retailer, would be exempt from
17 retailers' occupation tax and use tax as an isolated or
18 occasional sale.

19 "Gross receipts" from the sales of tangible personal
20 property at retail means the total selling price or the amount
21 of such sales, as hereinbefore defined. In the case of charge
22 and time sales, the amount thereof shall be included only as
23 and when payments are received by the seller. Receipts or other
24 consideration derived by a seller from the sale, transfer or
25 assignment of accounts receivable to a wholly owned subsidiary
26 will not be deemed payments prior to the time the purchaser

1 makes payment on such accounts.

2 "Department" means the Department of Revenue.

3 "Person" means any natural individual, firm, partnership,
4 association, joint stock company, joint adventure, public or
5 private corporation, limited liability company, or a receiver,
6 executor, trustee, guardian or other representative appointed
7 by order of any court.

8 The isolated or occasional sale of tangible personal
9 property at retail by a person who does not hold himself out as
10 being engaged (or who does not habitually engage) in selling
11 such tangible personal property at retail, or a sale through a
12 bulk vending machine, does not constitute engaging in a
13 business of selling such tangible personal property at retail
14 within the meaning of this Act; provided that any person who is
15 engaged in a business which is not subject to the tax imposed
16 by this Act because of involving the sale of or a contract to
17 sell real estate or a construction contract to improve real
18 estate or a construction contract to engineer, install, and
19 maintain an integrated system of products, but who, in the
20 course of conducting such business, transfers tangible
21 personal property to users or consumers in the finished form in
22 which it was purchased, and which does not become real estate
23 or was not engineered and installed, under any provision of a
24 construction contract or real estate sale or real estate sales
25 agreement entered into with some other person arising out of or
26 because of such nontaxable business, is engaged in the business

1 of selling tangible personal property at retail to the extent
2 of the value of the tangible personal property so transferred.
3 If, in such a transaction, a separate charge is made for the
4 tangible personal property so transferred, the value of such
5 property, for the purpose of this Act, shall be the amount so
6 separately charged, but not less than the cost of such property
7 to the transferor; if no separate charge is made, the value of
8 such property, for the purposes of this Act, is the cost to the
9 transferor of such tangible personal property. Construction
10 contracts for the improvement of real estate consisting of
11 engineering, installation, and maintenance of voice, data,
12 video, security, and all telecommunication systems do not
13 constitute engaging in a business of selling tangible personal
14 property at retail within the meaning of this Act if they are
15 sold at one specified contract price.

16 A person who holds himself or herself out as being engaged
17 (or who habitually engages) in selling tangible personal
18 property at retail is a person engaged in the business of
19 selling tangible personal property at retail hereunder with
20 respect to such sales (and not primarily in a service
21 occupation) notwithstanding the fact that such person designs
22 and produces such tangible personal property on special order
23 for the purchaser and in such a way as to render the property
24 of value only to such purchaser, if such tangible personal
25 property so produced on special order serves substantially the
26 same function as stock or standard items of tangible personal

1 property that are sold at retail.

2 Persons who engage in the business of transferring tangible
3 personal property upon the redemption of trading stamps are
4 engaged in the business of selling such property at retail and
5 shall be liable for and shall pay the tax imposed by this Act
6 on the basis of the retail value of the property transferred
7 upon redemption of such stamps.

8 "Bulk vending machine" means a vending machine, containing
9 unsorted confections, nuts, toys, or other items designed
10 primarily to be used or played with by children which, when a
11 coin or coins of a denomination not larger than \$0.50 are
12 inserted, are dispensed in equal portions, at random and
13 without selection by the customer.

14 (Source: P.A. 95-723, eff. 6-23-08.)

15 (35 ILCS 120/2) (from Ch. 120, par. 441)

16 Sec. 2. Tax imposed. A tax is imposed upon persons engaged
17 in the business of selling at retail tangible personal
18 property, including computer software, and including
19 photographs, negatives, and positives that are the product of
20 photoprocessing, but not including products of photoprocessing
21 produced for use in motion pictures for public commercial
22 exhibition, or engaged in the business of providing services as
23 set forth in in Section 1 of this Act. Beginning January 1,
24 2001, prepaid telephone calling arrangements shall be
25 considered tangible personal property subject to the tax

1 imposed under this Act regardless of the form in which those
2 arrangements may be embodied, transmitted, or fixed by any
3 method now known or hereafter developed.

4 (Source: P.A. 91-51, eff. 6-30-99; 91-870, eff. 6-22-00.)

5 Section 25. The School Code is amended by changing Sections
6 1C-2, 2-3.25c, 2-3.25d, 3-7, 10-17a, 10-20.20, 10-22.45,
7 18-8.05, 19-3, 21A-5, 21A-10, 21A-15, 21A-20, 21A-25, 21A-30,
8 23-3, 23-6, and 29-5 and by adding Sections 2-3.25d-5, 2-3.148,
9 2-3.149, 2-3.150, 2-3.151, 2-3.152, 10-16.10, 10-17b, 10-17c,
10 10-17d, 10-20.46, 17-2.11c, 21A-3, and 23-5.5 as follows:

11 (105 ILCS 5/1C-2)

12 Sec. 1C-2. Block grants.

13 (a) For fiscal year 1999, and each fiscal year thereafter,
14 the State Board of Education shall award to school districts
15 block grants as described in subsection (c). The State Board of
16 Education may adopt rules and regulations necessary to
17 implement this Section. In accordance with Section 2-3.32, all
18 state block grants are subject to an audit. Therefore, block
19 grant receipts and block grant expenditures shall be recorded
20 to the appropriate fund code.

21 (b) (Blank).

22 (c) An Early Childhood Education Block Grant shall be
23 created by combining the following programs: Preschool
24 Education, Parental Training and Prevention Initiative. These

1 funds shall be distributed to school districts and other
2 entities on a competitive basis. Eleven percent of this grant
3 shall be used to fund programs for children ages 0-3.

4 (d) For fiscal year 2010, the General Assembly shall
5 appropriate no less than \$380,261,400 to the Early Childhood
6 Education Block Grant for the programs specified in subsection
7 (c) of this Section.

8 (Source: P.A. 95-793, eff. 1-1-09.)

9 (105 ILCS 5/2-3.25c) (from Ch. 122, par. 2-3.25c)

10 Sec. 2-3.25c. Financial and other awards ~~Rewards and~~
11 ~~acknowledgements.~~

12 (a) The State Board of Education shall implement a system
13 of rewards for school districts, and the schools themselves,
14 whose students and schools consistently meet adequate yearly
15 progress criteria for 2 or more consecutive years and a system
16 to acknowledge schools and districts that meet adequate yearly
17 progress criteria in a given year as specified in Section
18 2-3.25d of this Code.

19 (b) Financial awards shall be provided to the schools that
20 the State Superintendent of Education determines have
21 demonstrated the greatest improvement in achieving the
22 education goals of improved student achievement and improved
23 school completion, subject to appropriation by the General
24 Assembly and any limitation set by the State Superintendent on
25 the total amount that may be awarded to a school or school

1 district; provided that such financial awards must not be used
2 to enhance the compensation of staff in school districts having
3 a population not exceeding 500,000.

4 (c) The State Superintendent of Education may present
5 proclamations or certificates to schools and school systems
6 determined to have met or exceeded the State's education goals
7 under Section 2-3.64 of this Code.

8 (d) The Education Financial Award System Fund is created as
9 a special fund in the State treasury. All money in the Fund
10 shall be used, subject to appropriation, by the State Board of
11 Education for the purpose of funding financial awards under
12 this Section. The Fund shall consist of all moneys appropriated
13 to the fund by the General Assembly and any gifts, grants,
14 donations, and other moneys received by the State Board of
15 Education for implementation of the awards system.

16 Any unexpended or unencumbered moneys remaining in the
17 Education Financial Award System Fund at the end of a fiscal
18 year shall remain in the Fund and shall not revert or be
19 credited or transferred to the General Revenue Fund nor be
20 transferred to any other fund. Any interest derived from the
21 deposit and investment of moneys in the Education Financial
22 Award System Fund shall remain in the Fund and shall not be
23 credited to the General Revenue Fund. The Education Financial
24 Award System Fund must be appropriated and expended only for
25 the awards system. The awards are subject to audit requirements
26 established by the State Board of Education.

1 (e) If a school or school district meets adequate yearly
2 progress criteria for 2 consecutive school years, that school
3 or district shall be exempt from review and approval of its
4 improvement plan for the next 2 succeeding school years.

5 (Source: P.A. 93-470, eff. 8-8-03.)

6 (105 ILCS 5/2-3.25d) (from Ch. 122, par. 2-3.25d)

7 Sec. 2-3.25d. Academic early warning and watch status.

8 (a) Beginning with the 2005-2006 school year, unless the
9 federal government formally disapproves of such policy through
10 the submission and review process for the Illinois
11 Accountability Workbook, those schools that do not meet
12 adequate yearly progress criteria for 2 consecutive annual
13 calculations in the same subgroup and in the same subject or in
14 their participation rate, attendance rate, or graduation rate
15 shall be placed on academic early warning status for the next
16 school year. Schools on academic early warning status that do
17 not meet adequate yearly progress criteria for a third annual
18 calculation in the same subgroup and in the same subject or in
19 their participation rate, attendance rate, or graduation rate
20 shall remain on academic early warning status. Schools on
21 academic early warning status that do not meet adequate yearly
22 progress criteria for a fourth annual calculation in the same
23 subgroup and in the same subject or in their participation
24 rate, attendance rate, or graduation rate shall be placed on
25 initial academic watch status. Schools on academic watch status

1 that do not meet adequate yearly progress criteria for a fifth
2 or subsequent annual calculation in the same subgroup and in
3 the same subject or in their participation rate, attendance
4 rate, or graduation rate shall remain on academic watch status.
5 Schools on academic early warning or academic watch status that
6 meet adequate yearly progress criteria for one annual
7 calculation shall be considered as having met expectations and
8 shall be removed from any status designation.

9 The school district of a school placed on either academic
10 early warning status or academic watch status may appeal the
11 status to the State Board of Education in accordance with
12 Section 2-3.25m of this Code.

13 A school district that has one or more schools on academic
14 early warning or academic watch status shall prepare a revised
15 School Improvement Plan or amendments thereto setting forth the
16 district's expectations for removing each school from academic
17 early warning or academic watch status and for improving
18 student performance in the affected school or schools.
19 Districts operating under Article 34 of this Code may prepare
20 the School Improvement Plan required under Section 34-2.4 of
21 this Code.

22 The revised School Improvement Plan for a school that is
23 initially placed on academic early warning status or that
24 remains on academic early warning status after a third annual
25 calculation must be approved by the school board (and by the
26 school's local school council in a district operating under

1 Article 34 of this Code, unless the school is on probation
2 pursuant to subsection (c) of Section 34-8.3 of this Code).

3 The revised School Improvement Plan for a school that is
4 initially placed on academic watch status after a fourth annual
5 calculation must be approved by the school board (and by the
6 school's local school council in a district operating under
7 Article 34 of this Code, unless the school is on probation
8 pursuant to subsection (c) of Section 34-8.3 of this Code).

9 The revised School Improvement Plan for a school that
10 remains on academic watch status after a fifth annual
11 calculation must be approved by the school board (and by the
12 school's local school council in a district operating under
13 Article 34 of this Code, unless the school is on probation
14 pursuant to subsection (c) of Section 34-8.3 of this Code). In
15 addition, the district must develop a school restructuring plan
16 for the school that must be approved by the school board (and
17 by the school's local school council in a district operating
18 under Article 34 of this Code).

19 A school on academic watch status that does not meet
20 adequate yearly progress criteria for a sixth annual
21 calculation shall implement its approved school restructuring
22 plan beginning with the next school year, subject to the State
23 interventions specified in Section 2-3.25f of this Code.

24 (b) Beginning with the 2005-2006 school year, unless the
25 federal government formally disapproves of such policy through
26 the submission and review process for the Illinois

1 Accountability Workbook, those school districts that do not
2 meet adequate yearly progress criteria for 2 consecutive annual
3 calculations in the same subgroup and in the same subject or in
4 their participation rate, attendance rate, or graduation rate
5 shall be placed on academic early warning status for the next
6 school year. Districts on academic early warning status that do
7 not meet adequate yearly progress criteria for a third annual
8 calculation in the same subgroup and in the same subject or in
9 their participation rate, attendance rate, or graduation rate
10 shall remain on academic early warning status. Districts on
11 academic early warning status that do not meet adequate yearly
12 progress criteria for a fourth annual calculation in the same
13 subgroup and in the same subject or in their participation
14 rate, attendance rate, or graduation rate shall be placed on
15 initial academic watch status. Districts on academic watch
16 status that do not meet adequate yearly progress criteria for a
17 fifth or subsequent annual calculation in the same subgroup and
18 in the same subject or in their participation rate, attendance
19 rate, or graduation rate shall remain on academic watch status.
20 Districts on academic early warning or academic watch status
21 that meet adequate yearly progress criteria for one annual
22 calculation shall be considered as having met expectations and
23 shall be removed from any status designation.

24 A district placed on either academic early warning status
25 or academic watch status may appeal the status to the State
26 Board of Education in accordance with Section 2-3.25m of this

1 Code.

2 Districts on academic early warning or academic watch
3 status shall prepare a District Improvement Plan or amendments
4 thereto setting forth the district's expectations for removing
5 the district from academic early warning or academic watch
6 status and for improving student performance in the district.

7 All District Improvement Plans must be approved by the
8 school board.

9 (c) All new and revised School and District Improvement
10 Plans shall be developed in collaboration with parents, staff
11 in the affected school or school district, and outside experts.
12 All revised School and District Improvement Plans shall be
13 developed, submitted, and monitored pursuant to rules adopted
14 by the State Board of Education. The ~~revised~~ Improvement Plan
15 shall address measurable outcomes for improving student
16 performance so that such performance meets adequate yearly
17 progress criteria as specified by the State Board of Education
18 and shall include a staff professional development plan
19 developed in cooperation with staff. All school districts
20 required to revise a School Improvement Plan in accordance with
21 this Section shall establish a peer review process for the
22 evaluation of School Improvement Plans.

23 (d) All federal requirements apply to schools and school
24 districts utilizing federal funds under Title I, Part A of the
25 federal Elementary and Secondary Education Act of 1965.

26 (e) The State Board of Education, from any moneys it may

1 have available for this purpose, must implement and administer
2 a grant program that provides 2-year grants to school districts
3 on the academic watch list and other school districts that have
4 the lowest achieving students, as determined by the State Board
5 of Education, to be used to improve student achievement. In
6 order to receive a grant under this program, a school district
7 must establish an accountability program. The accountability
8 program must involve the use of statewide testing standards and
9 local evaluation measures. A grant shall be automatically
10 renewed when achievement goals are met. The Board may adopt any
11 rules necessary to implement and administer this grant program.

12 (f) In addition to any moneys available under subsection
13 (e) of this Section, a school district required to maintain
14 School and District Improvement Plans under this Section,
15 including a school district organized under Article 34 of this
16 Code, shall annually receive from the State, subject to
17 appropriation, an amount equal to \$150 times the number of
18 full-time certified teachers and administrators it employs for
19 developing and implementing its mandatory School and District
20 Improvement Plans, including its staff professional
21 development plan.

22 (Source: P.A. 93-470, eff. 8-8-03; 93-890, eff. 8-9-04; 94-666,
23 eff. 8-23-05; 94-875, eff. 7-1-06.)

24 (105 ILCS 5/2-3.25d-5 new)

25 Sec. 2-3.25d-5. Educational improvement plan.

1 (a) Except for school districts required to develop School
2 and District Improvement Plans under Section 2-3.25d of this
3 Code, each school district shall develop, in compliance with
4 rules promulgated by the State Board of Education, an
5 educational improvement plan that must include (i) measures for
6 improving school district, school building, and individual
7 student performance and (ii) a staff professional development
8 plan developed at least in cooperation with staff or, if
9 applicable, the exclusive bargaining representatives of the
10 staff. The district shall develop the educational improvement
11 plan in collaboration with parents, staff, and the staff's
12 exclusive bargaining representatives, if any.

13 (105 ILCS 5/2-3.148 new)

14 Sec. 2-3.148. The Digital Learning Technology Grant
15 Program.

16 (a) As used in this Section, unless the context otherwise
17 requires, "information technology education" means education
18 in the development, design, use, maintenance, repair, and
19 application of information technology systems or equipment,
20 including, but not limited to, computers, the Internet,
21 telecommunications devices and networks, and multi-media
22 techniques.

23 (b) There is created the Digital Learning Technology Grant
24 Program to provide money to school districts and charter
25 schools to use in integrating information technology and

1 scientific equipment as tools to measurably improve teaching
2 and learning in grades 9 through 12 in this State's public
3 schools. The State Board of Education shall administer the
4 grant program through the acceptance, review, and
5 recommendation of applications submitted pursuant to this
6 Section.

7 (c) Grants awarded through the grant program created under
8 this Section shall continue for 4 fiscal years and may be
9 renewed as provided by rule of the State Board of Education.
10 Grants awarded through the program shall be paid out of any
11 money appropriated or credited to the Digital Learning
12 Technology Grant Fund. A school district or charter school
13 shall use any moneys obtained through the grant program to
14 integrate information technology education into the 9th grade
15 through 12th grade curriculum. In the case of a school
16 district, such integration shall be accomplished in one or more
17 public schools in the district. The school district or charter
18 school may contract with one or more private entities for
19 assistance in integrating information technology education
20 into the curriculum. In addition, school districts and charter
21 schools are encouraged to partner with businesses for
22 assistance in integrating information technology education
23 into the curriculum.

24 (d) The State Board of Education shall adopt rules for the
25 administration and implementation of the grant program created
26 under this Section. Subject to appropriation, the grants shall

1 be awarded through the program for the 2010-2011 school year
2 and annually thereafter.

3 (e) Any school district or charter school that seeks to
4 participate in the grant program created under this Section
5 shall submit an application to the State Board of Education in
6 the form and according to the deadlines established by rule of
7 the State Board of Education. The application shall include the
8 following information:

9 (1) if the applicant is a school district, the names of
10 the schools that will receive the benefits of the grant;

11 (2) the current level of information technology
12 education integration at the recipient schools;

13 (3) the school district's or charter school's plan for
14 integrating information technology education into the 9th
15 grade through 12th grade curriculum, including any
16 specific method or program to be used, and any entities
17 with whom the school district or charter school plans to
18 contract or cooperate in achieving the integration;

19 (4) the specific, measurable goals to be achieved and
20 the actual deliverables to be produced through the
21 integration of information technology education into the
22 curriculum, a deadline for achieving those goals, and a
23 proposed method of measuring whether the goals were
24 achieved;

25 (5) any businesses with which the school district or
26 charter school has partnered to improve the availability

1 and integration of information technology education within
2 the curriculum; and

3 (6) any other information that may be specified by rule
4 of the State Board of Education.

5 (f) In recommending and awarding grants through the
6 program, the State Board of Education shall consider the
7 following criteria:

8 (1) the degree to which information technology
9 education is already integrated into the curriculum of the
10 applying school district or charter school to ensure that
11 those school districts and charter schools with the least
12 degree of integration receive the grants first;

13 (2) the degree to which the applicant's proposed plan
14 for using the grant moneys will result in integration of
15 information technology tools and scientific equipment in a
16 manner that measurably improves teaching and learning;

17 (3) the validity, clarity, and measurability of the
18 goals established by the applicant and the validity of the
19 proposed methods for measuring achievement of the goals;

20 (4) the accountability system of specific measures and
21 deliverables to determine a baseline and annually assess
22 improvements in teaching and learning;

23 (5) any other financial resources available to the
24 applicant for integrating information technology education
25 into the curriculum;

26 (6) the degree to which the applicant is cooperating or

1 partnering with businesses to improve the availability and
2 integration of information technology education in the
3 curriculum; the State Board of Education shall apply this
4 criteria with the goal of encouraging such partnerships;

5 (7) the strength and capacity of the applicant to
6 collaborate with the science, technology, engineering and
7 mathematics education center network under Section 4.5 of
8 the Illinois Mathematics and Science Academy Law and to
9 provide open source networking with other public schools in
10 this State; and

11 (8) any other criteria established by rule of the State
12 Board of Education to ensure that grants are awarded to
13 school districts and charter schools that demonstrate the
14 greatest need and the most valid, effective plan for
15 integrating information technology education into the
16 curriculum.

17 (g) In awarding grants through the grant program, the State
18 Board of Education shall ensure, to the extent possible, that
19 the grants are awarded to school districts and charter schools
20 in all areas of this State.

21 (h) Nothing in this Section shall be construed to limit or
22 otherwise affect any school district's ability to enter into an
23 agreement with or receive funds from any private entity.

24 (i) Each school district and charter school that receives a
25 grant through the grant program created under this Section
26 shall, by August 1 of the school year for which the grant was

1 awarded, submit to the State Board of Education a report
2 specifying the following information:

3 (1) the manner in which the grant moneys were used;

4 (2) the progress made toward achieving the goals
5 specified in the grant recipient's application;

6 (3) any additional entities and businesses with whom
7 the grant recipient has contracted or partnered with the
8 goal of achieving greater integration of information
9 technology education in the 9th grade through 12th grade
10 curriculum;

11 (4) the recipient school district's and charter
12 school's plan for continuing the integration of
13 information technology education into the curriculum,
14 regardless of whether the grant is renewed; and

15 (5) any other information specified by rule of the
16 State Board of Education.

17 (j) Notwithstanding subsection (i) of this Section, a
18 recipient school need not submit a report for any academic year
19 in which no grants are made through the grant program.

20 (k) The Digital Learning Technology Grant Fund is created
21 as a special fund in the State treasury. All money in the Fund
22 shall be used, subject to appropriation, by the State Board of
23 Education for the purpose of funding grants under this Section.

24 (l) The State Board of Education may solicit and accept
25 money in the form of gifts, contributions, and grants to be
26 deposited into the Digital Learning Technology Grant Fund. The

1 acceptance of federal grants for purposes of this Section does
2 not commit State funds nor place an obligation upon the General
3 Assembly to continue the purposes for which the federal funds
4 are made available.

5 (105 ILCS 5/2-3.149 new)

6 Sec. 2-3.149. Best practices clearinghouse.

7 (a) Beginning July 1, 2010 and subject to appropriation,
8 the State Board of Education shall establish an online
9 clearinghouse of information relating to best practices of
10 campuses and school districts regarding instruction, public
11 school finance, resource allocation, and business practices.
12 To the extent practicable, the State Board of Education shall
13 ensure that information provided through the online
14 clearinghouse is specific, actionable information relating to
15 the best practices of high-performing and highly efficient
16 school districts rather than general guidelines relating to
17 school district operation. The information must be accessible
18 by school districts and interested members of the public.

19 (b) The State Board of Education shall solicit and collect
20 from exemplary or recognized school districts, charter
21 schools, and other institutions determined by the State Board
22 of Education examples of best practices relating to
23 instruction, public school finance, resource allocation, and
24 business practices, including best practices relating to
25 curriculum, scope and sequence, compensation and incentive

1 systems, bilingual education and special language programs,
2 compensatory education programs, and the effective use of
3 instructional technology, including online courses.

4 (c) The State Board of Education may contract for the
5 services of one or more third-party contractors to develop,
6 implement, and maintain a system of collecting and evaluating
7 the best practices of campuses and school districts as provided
8 by this Section. In addition to any other considerations
9 required by law, the State Board of Education must consider an
10 applicant's demonstrated competence and qualifications in
11 analyzing school district practices in awarding a contract
12 under this subsection (c).

13 (d) The State Board of Education may purchase from
14 available funds curriculum and other instructional tools
15 identified under this Section to provide for use by school
16 districts.

17 (105 ILCS 5/2-3.150 new)

18 Sec. 2-3.150. The Science, Technology, Engineering, and
19 Mathematics Education Center Grant Program.

20 (a) As used in this Section, unless the context otherwise
21 requires:

22 "Grant program" means the science, technology,
23 engineering, and mathematics education center grant program
24 created in this Section.

25 "Science, technology, engineering, and mathematics

1 education" or "STEM" means learning experiences that integrate
2 innovative curricular, instructional, and assessment
3 strategies and materials, laboratory and mentorship
4 experiences, and authentic inquiry-based and problem centered
5 instruction to stimulate learning in the areas of science,
6 technology, engineering, and mathematics.

7 "Science, technology, engineering, and mathematics
8 education innovation center" means a center operated by a
9 school district, a charter school, the Illinois Mathematics and
10 Science Academy, or a joint collaborative partnership that
11 provides STEM teaching and learning experiences, materials,
12 laboratory and mentorship experiences, and educational
13 seminars, institutes or workshops for students and teachers.

14 (b) Subject to appropriation, the Illinois Mathematics and
15 Science Academy, in consultation and partnership with the State
16 Board of Education, the Board of Higher Education, the business
17 community, the entrepreneurial technology community, and
18 professionals, including teachers, in the field of science,
19 technology, engineering, and mathematics shall create a
20 strategic plan for developing a whole systems approach to
21 redesigning prekindergarten through grade 12 STEM education in
22 this State, including, but not limited to, designing and
23 creating integrative teaching and learning networks among
24 science, technology, engineering, and mathematics innovation
25 education centers, university and corporate research
26 facilities, and established STEM laboratories, businesses, and

1 the Illinois Mathematics and Science Academy.

2 (c) At a minimum, the plan shall provide direction for
3 program design and development, including the following:

4 (1) continuous generation and sharing of curricular,
5 instructional, assessment, and program development
6 materials and information about STEM teaching and learning
7 throughout the network;

8 (2) identification of curricular, instructional, and
9 assessment goals that reflect the research in cognition and
10 the development of creativity in STEM fields and the
11 systemic changes in STEM education, so as to be consistent
12 with inquiry-based and problem-centered instruction in
13 science, technology, engineering, and mathematics. Such
14 goals shall also reflect current frameworks, standards,
15 and guidelines, such as those defined by the National
16 Research Council (National Academy of Science), the
17 American Association for the Advancement of Science, the
18 National Council of Teachers of Mathematics, the National
19 Science Teachers Association, and professional
20 associations in STEM fields;

21 (3) identification of essential teacher competencies
22 and a comprehensive plan for recruiting, mentoring, and
23 retaining STEM teachers, especially those in
24 under-resourced schools and school districts; creation of
25 a community of practice among STEM center educators and
26 other teachers of science, technology, engineering, and

1 mathematics as part of a network of promising practices in
2 teaching; and the establishment of recruitment, mentoring,
3 and retention plans for Golden Apple teachers in STEM
4 fields and Illinois STEM teachers who have received
5 national board certification and are also part of the STEM
6 innovation network;

7 (4) a statement of desired competencies for STEM
8 learning by students;

9 (5) a description of recommended courses of action to
10 improve educational experiences, programs, practices, and
11 service;

12 (6) the improvement of access and availability of STEM
13 courses, especially for rural school districts and
14 particularly to those groups which are traditionally
15 underrepresented through the Illinois Virtual High School;
16 the plan shall include goals for using telecommunications
17 facilities as recommended by a telecommunications advisory
18 commission;

19 (7) expectations and guidelines for designing and
20 developing a dynamic, creative, and engaged teaching
21 network;

22 (8) a description of the laboratory and incubator model
23 for the STEM centers;

24 (9) support for innovation and entrepreneurship in
25 curriculum, instruction, assessment, and professional
26 development; and

1 (10) cost estimates.

2 (d) The plan shall provide a framework that enables the
3 teachers, school districts, and institutions of higher
4 education to operate as an integrated system. The plan shall
5 provide innovative mechanisms and incentives to the following:

6 (1) educational providers, as well as professional
7 associations, business and university partners, and
8 educational receivers (students and teachers) at the
9 prekindergarten through grade 12 and postsecondary levels
10 to design and implement innovative curricula, including
11 experiences, mentorships, institutes, and seminars and to
12 develop new materials and activities for these;

13 (2) course providers and receivers for leveraging
14 distance learning technologies through the Illinois
15 Virtual High School and applying distance learning
16 instructional design techniques, taking into consideration
17 the work of a telecommunications advisory commission;

18 (3) prekindergarten through grade 12 teachers to
19 encourage them to take graduate STEM courses and degree
20 programs; such incentives may include a tuition matching
21 program;

22 (4) appropriate State agencies, federal agencies,
23 professional organizations, public television stations,
24 and businesses and industries to involve them in the
25 development of the strategic plan; and

26 (5) businesses, industries, and individuals for

1 volunteering their time and community resources.

2 (e) The plan shall provide a mechanism for incorporating
3 the cost for accomplishing these goals into the ongoing
4 operating budget beginning in 2010.

5 (f) There is created the Science and Technology Education
6 Center Grant Program to provide development and operating
7 moneys in the form of matching funds for existing or proposed
8 nonprofit STEM education centers. At a minimum, each STEM
9 center that receives a grant shall not only provide STEM
10 education activities to students enrolled in the school
11 district or charter school and materials and educational
12 workshops to teachers employed by the school district or
13 charter school, but also, as part of generative and innovative
14 teaching and learning network, shall share information with all
15 STEM centers, the Illinois Mathematics and Science Academy, and
16 partner associations or businesses.

17 (g) School districts, charter schools, the Illinois
18 Mathematics and Science Academy, and joint collaborative
19 partnerships may establish science and technology education
20 centers or may contract with regional offices of education,
21 intermediate service centers, public community colleges,
22 4-year institutions of higher education, non-profit or
23 for-profit education providers, youth service agencies,
24 community-based organizations, or other appropriate entities
25 to establish science and technology education centers within
26 the public school system. Districts and charter schools may

1 individually operate alternative learning opportunities
2 programs or may collaborate with 2 or more districts or charter
3 schools or do both to create and operate science and technology
4 education centers.

5 (h) Beginning with the 2010-2011 school year, the State
6 Board of Education shall, subject to available appropriations,
7 annually award one or more science, technology, engineering,
8 and mathematics education center grants for the development and
9 operation of STEM centers.

10 A school district, a charter school, the Illinois
11 Mathematics and Science Academy, or a joint collaborative
12 partnership may apply for a STEM center grant pursuant to
13 procedures and time lines specified by rule of the State Board
14 of Education.

15 (i) The State Board of Education, in selecting one or more
16 school districts, charter schools, or joint collaborative
17 partnerships or the Illinois Mathematics and Science Academy
18 for receipt of a grant, shall give priority to applicants that
19 are geographically located farthest from other STEM centers or
20 applicants that have less opportunity for science, technology,
21 engineering, and mathematics resource support. The State Board
22 shall also consider the following factors:

23 (1) the facility, equipment, and technology that are or
24 will be provided and the activities and range of programs
25 that are or will be offered by the STEM education center;

26 (2) the strength and capacity of the school district or

1 charter school to work as a network cooperatively with the
2 Illinois Mathematics and Science Academy, other STEM
3 centers, universities and STEM laboratories, businesses,
4 and industries; and

5 (3) recommendations of the Illinois P-20 Council and
6 the Illinois Mathematics and Science Academy.

7 (j) A STEM center grant shall be payable from moneys
8 appropriated to the STEM Education Center Grant Fund.

9 The State Board of Education shall specify the amount to be
10 awarded to each school district, charter school, or joint
11 collaborative partnership that is selected to receive a grant
12 and to the Illinois Mathematics and Science Academy, if
13 selected to receive a grant. The amount awarded to a new STEM
14 center for start-up costs shall not exceed \$1,000,000 for the
15 first fiscal year and may not be renewed. The amount awarded to
16 an operating STEM center for operating costs shall not exceed
17 \$500,000 for one fiscal year and shall be renewed annually for
18 5 consecutive years if the STEM center is meeting its
19 accountability goals and its role as an active partner in a
20 generative teaching and learning network.

21 (k) Each school district, charter school, or joint
22 collaborative partnership that receives a grant pursuant to the
23 grant program and the Illinois Mathematics and Science Academy,
24 if selected to receive a grant, shall demonstrate, prior to
25 receiving any actual moneys, that the center has received or
26 has a written commitment for matching funds from other public

1 or private sources in the amount of a dollar-for-dollar match
2 with the amount of the grant. This requirement may be waived
3 upon application to and approval by the State Board of
4 Education based on a showing of continued need or financial
5 hardship.

6 (l) The State Board of Education shall promulgate such
7 rules as are required in this Section and such additional rules
8 as may be required for implementation of the grant program.

9 (m) Each school district or charter school that receives a
10 grant through the grant program shall, by the close of each
11 school year for which the grant was awarded, submit to the
12 Illinois Mathematics and Science Academy and the State Board of
13 Education a report specifying the following information:

14 (1) the manner in which the grant money was used;

15 (2) the progress made toward achieving the goals and
16 producing the deliverables specified in the grant
17 recipient's application;

18 (3) any additional entities and businesses with whom
19 the grant recipient has contracted or partnered with the
20 goal of achieving greater integration of information
21 technology education in prekindergarten through grade 12
22 curriculum;

23 (4) the recipient school district's or charter
24 school's plan for continuing the integration of
25 information technology education into the curriculum,
26 regardless of whether the grant is renewed;

1 (5) the documentation demonstrating effective digital
2 collaboration and networking, technological cooperation
3 and sharing, and personal networking via innovative,
4 entrepreneurial networks;

5 (6) a description of innovative instructional methods;

6 (7) evidence of staff training and outreach to teachers
7 beyond those working in the STEM education center; and

8 (8) any other information specified by rule of the
9 State Board of Education.

10 (n) Notwithstanding the other provisions of this Section, a
11 recipient school need not submit a report for any academic year
12 in which no grants are made through the grant program.

13 (o) The STEM Education Center Grant Fund is created as a
14 special fund in the State treasury. All money in the Fund shall
15 be used, subject to appropriation, by the State Board of
16 Education for the purpose of funding science, technology,
17 engineering, and mathematics education center grants awarded
18 under this Section.

19 (p) The State Board of Education may solicit and accept
20 money in the form of gifts, contributions, and grants to be
21 deposited in the STEM Education Center Grant Fund. The
22 acceptance of federal grants for purposes of this Section does
23 not commit State funds nor place an obligation upon the General
24 Assembly to continue the purposes for which the federal funds
25 are made available.

1 (105 ILCS 5/2-3.151 new)

2 Sec. 2-3.151. School Improvement Partnership Pool Fund.

3 (a) The School Improvement Partnership Pool Fund is created
4 as a special fund in the State treasury. All interest earned on
5 moneys in the Fund shall be deposited into the Fund. The School
6 Improvement Partnership Pool Fund shall not be subject to
7 sweeps, administrative charges, or charge-backs, such as, but
8 not limited to, those authorized under Section 8h of the State
9 Finance Act, nor any other fiscal or budgetary maneuver that
10 would in any way transfer any funds from the School Improvement
11 Partnership Pool Fund into any other fund of the State.

12 (b) Beginning in Fiscal Year 2011, moneys in the School
13 Improvement Partnership Pool Fund shall be used, subject to
14 appropriation, by the State Board of Education for a
15 competitive grant program to provide school districts with
16 demonstrated academic and financial need quality, integrated
17 support systems, such as training for staff, tutoring programs
18 for students, small school initiatives, literacy coaching,
19 proven programs such as reduced class size, extended learning
20 time, and after school and summer school programs, programs to
21 engage parents, and other systems as determined by the State
22 Board of Education.

23 (c) School districts eligible to apply to the State Board
24 of Education for a grant under subsection (b) of this Section
25 shall be limited to those (i) with any school that has not met
26 adequate yearly progress under the federal No Child Left Behind

1 Act of 2001 for at least 2 consecutive years or (ii) that have
2 been designated through the State Board of Education's School
3 District Financial Profile System as on financial warning or
4 financial watch status. The State Board may, by rule, establish
5 any additional procedures with respect to this grant program.

6 (105 ILCS 5/2-3.152 new)

7 Sec. 2-3.152. Resource management service.

8 (a) Subject to appropriation, the State Board of Education
9 shall establish and maintain an Internet web-based resource
10 management service for all school districts on or before July
11 1, 2013. If no State funds are provided to school districts
12 specifically for implementation of this Section, school
13 districts are relieved from implementing all requirements
14 under this Section.

15 (b) The resource management service shall identify
16 resource configurations that contribute to improving internal
17 resources for instructional programs, provide action-oriented
18 analysis and solutions, and give school districts the ability
19 to explore different scenarios of resource allocation.

20 (c) Annually, by the first day of October, an Internet
21 web-based preliminary resource allocation report must be
22 generated for each school district and delivered via the
23 Internet to each district superintendent for use by the
24 management team and the exclusive bargaining agents of the
25 school district's employees. This report shall identify

1 potential cost savings or resource reallocation opportunities
2 for the district in 5 core areas of school district spending.
3 These core areas are instruction, operation and maintenance,
4 transportation, food service, and central services. This
5 analysis shall show district spending in detailed
6 subcategories compared to demographically or operationally
7 similar peer school districts. The web-based resource
8 allocation reports generated under this Section constitute
9 preliminary drafts, notes, recommendations, memoranda, and
10 other records in which opinions are expressed or policies or
11 actions are formulated and therefore exempt from disclosure
12 under subdivision (f) of subsection (1) of Section 7 of the
13 Freedom of Information Act.

14 (d) Each school district shall have the ability through the
15 on-line resource allocation report to test various resource
16 allocation scenarios relative to pre-defined peers as well as
17 geographic peers and the most efficient peers statewide. Each
18 district shall have the ability to choose specific combinations
19 of districts for comparison.

20 (e) The resource management service shall contain, based on
21 the spending and demographic profile of the school district,
22 action-oriented information, such as effective best practices
23 in schools districts, diagnostic questions, and other
24 management or community considerations that may be implemented
25 to capture savings identified in the resource allocation
26 report.

1 (f) The resource management service may be initiated and
2 maintained through a contract between the State Board of
3 Education and an independent third party specializing in school
4 market research within this State and the United States. Any
5 contract with a third party must be awarded through the State
6 Board of Education's standard request for proposal procedure.
7 Up to 25% of the annual appropriation may be allocated by the
8 State Board of Education to hire personnel and facilitate data
9 collection. No less than 25% of the annual appropriation shall
10 be utilized by the State Board of Education to deliver training
11 to school district personnel in the use of the management
12 service. Such training shall be delivered by certificated
13 school business officials or State Board of Education trained
14 personnel and may be provided through administrator academies
15 and mentoring programs. The State Board of Education may
16 establish contracts with other organizations to provide such
17 training and mentoring.

18 In the event that a district does not employ a certificated
19 school business official, if State funds are provided
20 specifically for this purpose, at least one employee must be
21 trained and certified in the use of the resource management
22 service. In addition, a representative of the exclusive
23 bargaining agents of the school district's employees shall be
24 invited to be trained and certified.

25 (g) The State Board of Education shall identify the data
26 required to implement the resource management service and

1 develop annual data reporting instruments designed to collect
2 the information from each school district.

3 The State Board of Education may provide grants to school
4 districts to permit those school districts to develop and
5 implement a plan for a shared services agreement in the
6 following areas: operation and maintenance and central
7 services.

8 (h) Annually, the certificated school business official or
9 resource management service trained employee in each school
10 district shall review and certify that the resource allocation
11 report has been received and reviewed by the management team
12 and the exclusive bargaining agent of the district.
13 Subsequently, a report must be filed with the State Board of
14 Education identifying the considerations that will be studied
15 as a result of such analysis. In addition, any implementation
16 of strategies or reallocation of resources associated with the
17 resource management service must be annually reported to the
18 Board of Education, the exclusive bargaining agents of the
19 school district's employees, and, subsequently, the State
20 Board of Education. The State Board shall annually prepare a
21 cumulative report to be posted electronically containing those
22 initiatives studied and implemented on a statewide basis.

23 (105 ILCS 5/3-7) (from Ch. 122, par. 3-7)

24 Sec. 3-7. Failure to prepare and forward information. If
25 the trustees of schools of any township in Class II county

1 school units, or any school district which forms a part of a
2 Class II county school unit but which is not subject to the
3 jurisdiction of the trustees of schools of any township in
4 which such district is located, or any school district in any
5 Class I county school units fail to prepare and forward or
6 cause to be prepared and forwarded to the regional
7 superintendent of schools, reports required by this Act, the
8 regional superintendent of schools shall furnish such
9 information or he shall employ a person or persons to furnish
10 such information, as far as practicable. Such person shall have
11 access to the books, records and papers of the school district
12 to enable him or them to prepare such reports, and the school
13 district shall permit such person or persons to examine such
14 books, records and papers at such time and such place as such
15 person or persons may desire for the purpose aforesaid. For
16 such services the regional superintendent of schools shall bill
17 the district an amount to cover the cost of preparation of such
18 reports if he employs a person to prepare such reports.

19 Each school district shall, as of June 30 of each year,
20 cause an audit of its accounts to be made by a person lawfully
21 qualified to practice public accounting as regulated by the
22 Illinois Public Accounting Act. Such audit shall include (i)
23 development of a risk assessment of district internal controls,
24 (ii) an annual review and update of the risk assessment, and
25 (iii) an annual management letter that analyzes significant
26 risk assessment findings, recommends changes for strengthening

1 controls and reducing identified risks, and specifies
2 timeframes for implementation of these recommendations, as
3 well as financial statements of the district applicable to the
4 type of records required by other sections of this Act and in
5 addition shall set forth the scope of audit and shall include
6 the professional opinion signed by the auditor, or if such an
7 opinion is denied by the auditor, shall set forth the reasons
8 for such denial. Each school district shall on or before
9 October 15 of each year, submit an original and one copy of the
10 ~~such~~ audit to the regional superintendent of schools in the
11 educational service region having jurisdiction in which case
12 the regional superintendent of schools shall be relieved of
13 responsibility in regard to the accounts of the school
14 district. If any school district fails to supply the regional
15 superintendent of schools with a copy of such audit report on
16 or before October 15, or within such time extended by the
17 regional superintendent of schools from that date, not to
18 exceed 60 days, then it shall be the responsibility of the
19 regional superintendent of schools having jurisdiction to
20 cause such audit to be made by employing an accountant licensed
21 to practice in the State of Illinois to conduct such audit and
22 shall bill the district for such services, or shall with the
23 personnel of his office make such audit to his satisfaction and
24 bill the district for such service. In the latter case, if the
25 audit is made by personnel employed in the office of the
26 regional superintendent of schools having jurisdiction, then

1 the regional superintendent of schools shall not be relieved of
2 the responsibility as to the accountability of the school
3 district. The copy of the audit shall be forwarded by the
4 regional superintendent to the State Board of Education on or
5 before November 15 of each year and shall be filed by the State
6 Board of Education. Beginning on July 1, 2010, all school
7 districts shall utilize a competitive request for proposals
8 process at least once every 5 years when contracting for such
9 an annual audit, provided that school districts with existing
10 contracts of less than 5 years in length that are in effect on
11 July 1, 2010 shall utilize a competitive request for proposals
12 process when contracting for an annual audit after the
13 expiration date of the existing contract.

14 Each school district that is the administrative district
15 for several school districts operating under a joint agreement
16 as authorized by this Act shall, as of June 30 each year, cause
17 an audit of the accounts of the joint agreement to be made by a
18 person lawfully qualified to practice public accounting as
19 regulated by the Illinois Public Accounting Act. Such audit
20 shall include (i) development of a risk assessment of district
21 internal controls, (ii) an annual review and update of the risk
22 assessment, and (iii) an annual management letter that analyzes
23 significant risk assessment findings, recommends changes for
24 strengthening controls and reducing identified risks, and
25 specifies timeframes for implementation of these
26 recommendations, as well as financial statements of the

1 operation of the joint agreement applicable to the type of
2 records required by this Act and, in addition, shall set forth
3 the scope of the audit and shall include the professional
4 opinion signed by the auditor, or if such an opinion is denied,
5 the auditor shall set forth the reason for such denial. Each
6 administrative district of a joint agreement shall on or before
7 October 15 each year, submit an original and one copy of such
8 audit to the regional superintendent of schools in the
9 educational service region having jurisdiction in which case
10 the regional superintendent of schools shall be relieved of
11 responsibility in regard to the accounts of the joint
12 agreement. The copy of the audit shall be forwarded by the
13 regional superintendent to the State Board of Education on or
14 before November 15 of each year and shall be filed by the State
15 Board of Education. The cost of such an audit shall be
16 apportioned among and paid by the several districts who are
17 parties to the joint agreement, in the same manner as other
18 costs and expenses accruing to the districts jointly. Beginning
19 on July 1, 2010, all school districts operating under a joint
20 agreement shall utilize a competitive request for proposals
21 process at least once every 5 years when contracting for such
22 an annual audit, provided that all school districts operating
23 under a joint agreement with existing contracts of less than 5
24 years in length that are in effect on July 1, 2010 shall
25 utilize a competitive request for proposals process when
26 contracting for an annual audit after the expiration date of

1 the existing contract.

2 The State Board of Education shall determine the adequacy
3 of the audits. All audits shall be kept on file in the office
4 of the State Board of Education.

5 (Source: P.A. 86-1441; 87-473.)

6 (105 ILCS 5/10-16.10 new)

7 Sec. 10-16.10. Board member leadership training.

8 (a) This Section shall apply to all school board members
9 serving pursuant to Section 10-10 of this Code who have been
10 elected on or after the effective date of this amendatory Act
11 of the 96th General Assembly or appointed to fill a vacancy of
12 at least one year's duration on or after the effective date of
13 this amendatory Act of the 96th General Assembly.

14 (b) It is the policy of this State to encourage every
15 voting member of a board of education of a school district
16 elected or appointed for a term beginning on or after the
17 effective date of this amendatory Act of the 96th General
18 Assembly, within a year after the effective date of this
19 amendatory Act of the 96th General Assembly or the first year
20 of his or her term, to complete a minimum of 4 hours of
21 professional development leadership training covering topics
22 in education and labor law, financial oversight and
23 accountability, and fiduciary responsibilities of a school
24 board member.

25 (c) The training on financial oversight, accountability,

1 and fiduciary responsibilities may be provided by an
2 association established under this Code for the purpose of
3 training school board members or by other qualified providers
4 approved by the State Board of Education, in conjunction with
5 an association so established.

6 (105 ILCS 5/10-17a) (from Ch. 122, par. 10-17a)

7 Sec. 10-17a. Better schools accountability.

8 (1) Policy and Purpose. It shall be the policy of the State
9 of Illinois that each school district in this State, including
10 special charter districts and districts subject to the
11 provisions of Article 34, shall submit to parents, taxpayers of
12 such district, the Governor, the General Assembly, and the
13 State Board of Education a school report card assessing the
14 performance of its schools and students. The report card shall
15 be an index of school performance measured against statewide
16 and local standards and will provide information to make prior
17 year comparisons and to set future year targets through the
18 school improvement plan.

19 (2) Reporting Requirements. Each school district shall
20 prepare a report card in accordance with the guidelines set
21 forth in this Section which describes the performance of its
22 students by school attendance centers and by district and the
23 district's financial resources and use of financial resources.
24 Such report card shall be presented at a regular school board
25 meeting subject to applicable notice requirements, posted on

1 the school district's Internet web site, if the district
2 maintains an Internet web site, made available to a newspaper
3 of general circulation serving the district, and, upon request,
4 sent home to a parent (unless the district does not maintain an
5 Internet web site, in which case the report card shall be sent
6 home to parents without request). If the district posts the
7 report card on its Internet web site, the district shall send a
8 written notice home to parents stating (i) that the report card
9 is available on the web site, (ii) the address of the web site,
10 (iii) that a printed copy of the report card will be sent to
11 parents upon request, and (iv) the telephone number that
12 parents may call to request a printed copy of the report card.
13 In addition, each school district shall submit the completed
14 report card to the office of the district's Regional
15 Superintendent which shall make copies available to any
16 individuals requesting them.

17 The report card shall be completed and disseminated prior
18 to October 31 in each school year. The report card shall
19 contain, but not be limited to, actual local school attendance
20 center, school district and statewide data indicating the
21 present performance of the school, the State norms and the
22 areas for planned improvement for the school and school
23 district.

24 (3) (a) The report card shall include the following
25 applicable indicators of attendance center, district, and
26 statewide student performance: percent of students who exceed,

1 meet, or do not meet standards established by the State Board
2 of Education pursuant to Section 2-3.25a; longitudinal data
3 system assessment estimates for each district, subject to a
4 statewide longitudinal data system being established and data
5 being available; composite and subtest means on nationally
6 normed achievement tests for college bound students; student
7 attendance rates; chronic truancy rate; dropout rate;
8 graduation rate; and student mobility, turnover shown as a
9 percent of transfers out and a percent of transfers in.

10 (b) The report card shall include the following
11 descriptions for the school, district, and State: average class
12 size; amount of time per day devoted to mathematics, science,
13 English and social science at primary, middle and junior high
14 school grade levels; number of students taking the Prairie
15 State Achievement Examination under subsection (c) of Section
16 2-3.64, the number of those students who received a score of
17 excellent, and the average score by school of students taking
18 the examination; pupil-teacher ratio; pupil-administrator
19 ratio; operating expenditure per pupil; district expenditure
20 by fund; average administrator salary; and average teacher
21 salary. The report card shall also specify the amount of money
22 that the district receives from all sources, including without
23 limitation subcategories specifying the amount from local
24 property taxes, the amount from general State aid, the amount
25 from other State funding, and the amount from other income.

26 (c) The report card shall include applicable indicators of

1 parental involvement in each attendance center. The parental
2 involvement component of the report card shall include the
3 percentage of students whose parents or guardians have had one
4 or more personal contacts with the students' teachers during
5 the school year concerning the students' education, and such
6 other information, commentary, and suggestions as the school
7 district desires. For the purposes of this paragraph, "personal
8 contact" includes, but is not limited to, parent-teacher
9 conferences, parental visits to school, school visits to home,
10 telephone conversations, and written correspondence. The
11 parental involvement component shall not single out or identify
12 individual students, parents, or guardians by name.

13 (d) The report card form shall be prepared by the State
14 Board of Education and provided to school districts by the most
15 efficient, economic, and appropriate means.

16 (e) The report card shall include an indicator describing
17 whether the school district has improved, declined, or remained
18 stable in the aggregate percentage of students making at least
19 one-year's academic growth each year, subject to a statewide
20 longitudinal data system being established and data being
21 available.

22 (Source: P.A. 95-331, eff. 8-21-07.)

23 (105 ILCS 5/10-17b new)

24 Sec. 10-17b. Financial policies. Beginning with the second
25 fiscal year after the effective date of this amendatory Act of

1 the 96th General Assembly, each school board shall adopt a
2 formal, written financial policy. The policy may include
3 information in the following areas:

4 (1) Debt capacity, issuance, and management.

5 (2) Capital asset management.

6 (3) Reserve or stabilization fund goals.

7 (4) Periodic budget to actual comparison reports.

8 (5) Fees and charges.

9 (6) The use of one-time revenue.

10 (7) Risk management related to internal controls.

11 (8) Purchasing.

12 (9) Vehicle acquisition and maintenance.

13 The school board shall make the policy publicly available.

14 (105 ILCS 5/10-17c new)

15 Sec. 10-17c. Long-term financial plan. Beginning with the
16 second fiscal year after the effective date of this amendatory
17 Act of the 96th General Assembly, each school board shall
18 develop a long-term financial plan that extends over at least a
19 3-year period and that is updated and approved annually. The
20 plan must include multi-year forecasts of revenues,
21 expenditures, and debt. The school board may make the plan
22 available to the public by publishing it as a separate document
23 and submitting it with the annual budget or by posting the plan
24 as a document on the school district's Internet website, if
25 any. The forecasts that are the foundation of the plan must be

1 available to participants in the budget process before
2 budgetary decisions are made. The public must be provided
3 opportunities for providing dialog with respect to the
4 long-term financial planning process. Public access and review
5 shall take place as part of the official budget hearing process
6 in accordance with Section 17-1 of this Code, which requires
7 the posting of notice and making documents available to the
8 general public at least 30 days in advance of the budget
9 hearing.

10 (105 ILCS 5/10-17d new)

11 Sec. 10-17d. Capital improvement plan. Beginning with the
12 second fiscal year after the effective date of this amendatory
13 Act of the 96th General Assembly, each school board shall
14 develop a 5-year capital improvement plan that is updated and
15 approved annually. The plan must include a summary list of the
16 description of the capital projects to be completed over the
17 next 5 years, along with projected expenditures, and revenue
18 sources. The school board shall make the plan available to the
19 public. The school board shall hold a public hearing on the
20 capital improvement plan, which hearing may be held at a
21 regularly scheduled meeting of the board. This hearing shall be
22 held in the same manner and subject to the same notice and
23 other requirements as the public hearing required prior to
24 adoption of the budget in conformity with Section 17-1 of this
25 Code, which requires the posting of notice and making documents

1 available to the general public at least 30 days in advance of
2 the budget hearing.

3 (105 ILCS 5/10-20.20) (from Ch. 122, par. 10-20.20)

4 Sec. 10-20.20. Protection from suit.† To indemnify and
5 protect school districts, members of school boards, employees,
6 volunteer personnel authorized in Sections 10-22.34, 10-22.34a
7 and 10-22.34b of this Code, mentors of certified staff as
8 authorized in Article 21A and Sections 2-3.53a, 2-3.53b, and
9 34-18.33 of this Code, and student teachers against civil
10 rights damage claims and suits, constitutional rights damage
11 claims and suits and death and bodily injury and property
12 damage claims and suits, including defense thereof, when
13 damages are sought for negligent or wrongful acts alleged to
14 have been committed in the scope of employment or under the
15 direction of the board or related to any mentoring services
16 provided to certified staff of the school district. Such
17 indemnification and protection shall extend to persons who were
18 members of school boards, employees of school boards,
19 authorized volunteer personnel, mentors of certified staff, or
20 student teachers at the time of the incident from which a claim
21 arises. No agent may be afforded indemnification or protection
22 unless he was a member of a school board, an employee of a
23 board, an authorized volunteer, a mentor of certified staff, or
24 a student teacher at the time of the incident from which the
25 claim arises.

1 (Source: P.A. 79-210.)

2 (105 ILCS 5/10-20.46 new)

3 Sec. 10-20.46. School district financial accountability.

4 (a) A school board shall annually include a user-friendly
5 executive summary as part of the district's budget. The
6 executive summary shall include all of the following:

7 (1) The district's major goals and objectives.

8 (2) A discussion of the major financial factors and
9 trends affecting the budget, such as changes in revenues,
10 enrollment, and debt.

11 (3) A description of the budget process.

12 (4) An overview of revenues and expenditures for all
13 funds, including at least 3 to 5 years of prior and future
14 trends, based on data from the annual financial report.

15 (5) An explanation of significant financial and
16 demographic trends.

17 (6) An explanation of the reasons for a budget deficit
18 and an explanation of how the deficit is being addressed in
19 accordance with Section 17-1 of this Code.

20 (7) A budget forecast for at least 3 to 5 years in the
21 future.

22 (8) Student enrollment trends, including a future
23 forecast.

24 (9) The number of personnel by type.

25 (10) Changes in both the long term and short term debt

1 burden.

2 (b) Beginning with the second fiscal year after the
3 effective date of this amendatory Act of the 96th General
4 Assembly, a school board shall annually include in the full
5 budget document the following items; any or all of the
6 following items may be published as separate documents provided
7 that they are explicitly referenced in the annual budget and
8 attached thereto and provided that they are made publicly
9 available at the same time as the tentative budget document:

10 (1) An organizational chart.

11 (2) Formal financial policies pursuant to Section
12 10-17b of this Code.

13 (3) The district's long-term financial plan pursuant
14 to Section 10-17c of this Code or a summary of the
15 long-term financial plan.

16 (4) The district's capital improvement plan pursuant
17 to Section 10-17d of this Code or a summary of the capital
18 improvement plan.

19 (105 ILCS 5/10-22.45) (from Ch. 122, par. 10-22.45)

20 Sec. 10-22.45. A school board shall ~~to~~ establish an audit
21 committee, which may include ~~and to appoint~~ members of the
22 board, ~~or~~ other appropriate officers, or persons who do not
23 serve on the board ~~to the committee~~, to review audit reports
24 and any other financial reports and documents, including
25 management letters prepared by or on behalf of the board.

1 Nothing in this Section prohibits a school district from
2 maintaining its own internal audit function.

3 (Source: P.A. 82-644.)

4 (105 ILCS 5/17-2.11c new)

5 Sec. 17-2.11c. Non-referendum bonds. Upon the
6 certification of an architect and subsequent approval by the
7 regional superintendent of schools and the State Board of
8 Education, a board of education governing a school district
9 having not more than 500,000 inhabitants may issue
10 non-referendum bonds for the purposes described in Section 19-3
11 of this Code. Such bonds may be issued in excess of any
12 statutory limitation as to debt prescribed in Article 19 of
13 this Code.

14 (105 ILCS 5/18-8.05)

15 Sec. 18-8.05. Basis for apportionment of general State
16 financial aid and supplemental general State aid to the common
17 schools for the 1998-1999 and subsequent school years.

18 (A) General Provisions.

19 (1) The provisions of this Section apply to the 1998-1999
20 and subsequent school years. The system of general State
21 financial aid provided for in this Section is designed to
22 assure that, through a combination of State financial aid and
23 required local resources, the financial support provided each

1 pupil in Average Daily Attendance equals or exceeds a
2 prescribed per pupil Foundation Level. This formula approach
3 imputes a level of per pupil Available Local Resources and
4 provides for the basis to calculate a per pupil level of
5 general State financial aid that, when added to Available Local
6 Resources, equals or exceeds the Foundation Level. The amount
7 of per pupil general State financial aid for school districts,
8 in general, varies in inverse relation to Available Local
9 Resources. Per pupil amounts are based upon each school
10 district's Average Daily Attendance as that term is defined in
11 this Section.

12 (2) In addition to general State financial aid, school
13 districts with specified levels or concentrations of pupils
14 from low income households are eligible to receive supplemental
15 general State financial aid grants as provided pursuant to
16 subsection (H). The supplemental State aid grants provided for
17 school districts under subsection (H) shall be appropriated for
18 distribution to school districts as part of the same line item
19 in which the general State financial aid of school districts is
20 appropriated under this Section.

21 (3) To receive financial assistance under this Section,
22 school districts are required to file claims with the State
23 Board of Education, subject to the following requirements:

24 (a) Any school district which fails for any given
25 school year to maintain school as required by law, or to
26 maintain a recognized school is not eligible to file for

1 such school year any claim upon the Common School Fund. In
2 case of nonrecognition of one or more attendance centers in
3 a school district otherwise operating recognized schools,
4 the claim of the district shall be reduced in the
5 proportion which the Average Daily Attendance in the
6 attendance center or centers bear to the Average Daily
7 Attendance in the school district. A "recognized school"
8 means any public school which meets the standards as
9 established for recognition by the State Board of
10 Education. A school district or attendance center not
11 having recognition status at the end of a school term is
12 entitled to receive State aid payments due upon a legal
13 claim which was filed while it was recognized.

14 (b) School district claims filed under this Section are
15 subject to Sections 18-9 and 18-12, except as otherwise
16 provided in this Section.

17 (c) If a school district operates a full year school
18 under Section 10-19.1, the general State aid to the school
19 district shall be determined by the State Board of
20 Education in accordance with this Section as near as may be
21 applicable.

22 (d) (Blank).

23 (4) Except as provided in subsections (H) and (L), the
24 board of any district receiving any of the grants provided for
25 in this Section may apply those funds to any fund so received
26 for which that board is authorized to make expenditures by law.

1 School districts are not required to exert a minimum
2 Operating Tax Rate in order to qualify for assistance under
3 this Section.

4 (5) As used in this Section the following terms, when
5 capitalized, shall have the meaning ascribed herein:

6 (a) "Average Daily Attendance": A count of pupil
7 attendance in school, averaged as provided for in
8 subsection (C) and utilized in deriving per pupil financial
9 support levels.

10 (b) "Available Local Resources": A computation of
11 local financial support, calculated on the basis of Average
12 Daily Attendance and derived as provided pursuant to
13 subsection (D).

14 (c) "Corporate Personal Property Replacement Taxes":
15 Funds paid to local school districts pursuant to "An Act in
16 relation to the abolition of ad valorem personal property
17 tax and the replacement of revenues lost thereby, and
18 amending and repealing certain Acts and parts of Acts in
19 connection therewith", certified August 14, 1979, as
20 amended (Public Act 81-1st S.S.-1).

21 (d) "Foundation Level": A prescribed level of per pupil
22 financial support as provided for in subsection (B).

23 (e) "Operating Tax Rate": All school district property
24 taxes extended for all purposes, except Bond and Interest,
25 Summer School, Rent, Capital Improvement, and Vocational
26 Education Building purposes.

1 (B) Foundation Level.

2 (1) The Foundation Level is a figure established by the
3 State representing the minimum level of per pupil financial
4 support that should be available to provide for the basic
5 education of each pupil in Average Daily Attendance. As set
6 forth in this Section, each school district is assumed to exert
7 a sufficient local taxing effort such that, in combination with
8 the aggregate of general State financial aid provided the
9 district, an aggregate of State and local resources are
10 available to meet the basic education needs of pupils in the
11 district.

12 (2) For the 1998-1999 school year, the Foundation Level of
13 support is \$4,225. For the 1999-2000 school year, the
14 Foundation Level of support is \$4,325. For the 2000-2001 school
15 year, the Foundation Level of support is \$4,425. For the
16 2001-2002 school year and 2002-2003 school year, the Foundation
17 Level of support is \$4,560. For the 2003-2004 school year, the
18 Foundation Level of support is \$4,810. For the 2004-2005 school
19 year, the Foundation Level of support is \$4,964. For the
20 2005-2006 school year, the Foundation Level of support is
21 \$5,164. For the 2006-2007 school year, the Foundation Level of
22 support is \$5,334. For the 2007-2008 school year, the
23 Foundation Level of support is \$5,734.

24 (3) For the 2008-2009 school year and each school year
25 through the 2009-2010 school year ~~thereafter~~, the Foundation

1 Level of support is \$5,959 ~~or such greater amount as may be~~
2 ~~established by law by the General Assembly.~~

3 (4) It is the intention of the 96th General Assembly that
4 the Foundation Level of support be increased to the Education
5 Funding Advisory Board's recommendation for the 2006-2007
6 school year and be inflation adjusted to the 2013-2014 school
7 year, which would create a Foundation Level of \$8,410, and that
8 this Foundation Level of support be reached as soon as
9 practicable using the additional revenue generated by the tax
10 increases provided by this amendatory Act of the 96th General
11 Assembly.

12 For the 2010-2011 school year, the Foundation Level of
13 support is \$6,190. For each school year thereafter, the
14 Foundation Level of support shall be no less than \$6,190.

15 (C) Average Daily Attendance.

16 (1) For purposes of calculating general State aid pursuant
17 to subsection (E), an Average Daily Attendance figure shall be
18 utilized. The Average Daily Attendance figure for formula
19 calculation purposes shall be the monthly average of the actual
20 number of pupils in attendance of each school district, as
21 further averaged for the best 3 months of pupil attendance for
22 each school district. In compiling the figures for the number
23 of pupils in attendance, school districts and the State Board
24 of Education shall, for purposes of general State aid funding,
25 conform attendance figures to the requirements of subsection

1 (F).

2 (2) The Average Daily Attendance figures utilized in
3 subsection (E) shall be the requisite attendance data for the
4 school year immediately preceding the school year for which
5 general State aid is being calculated or the average of the
6 attendance data for the 3 preceding school years, whichever is
7 greater. The Average Daily Attendance figures utilized in
8 subsection (H) shall be the requisite attendance data for the
9 school year immediately preceding the school year for which
10 general State aid is being calculated.

11 (D) Available Local Resources.

12 (1) For purposes of calculating general State aid pursuant
13 to subsection (E), a representation of Available Local
14 Resources per pupil, as that term is defined and determined in
15 this subsection, shall be utilized. Available Local Resources
16 per pupil shall include a calculated dollar amount representing
17 local school district revenues from local property taxes and
18 from Corporate Personal Property Replacement Taxes, expressed
19 on the basis of pupils in Average Daily Attendance. Calculation
20 of Available Local Resources shall exclude any tax amnesty
21 funds received as a result of Public Act 93-26.

22 (2) In determining a school district's revenue from local
23 property taxes, the State Board of Education shall utilize the
24 equalized assessed valuation of all taxable property of each
25 school district as of September 30 of the previous year. The

1 equalized assessed valuation utilized shall be obtained and
2 determined as provided in subsection (G).

3 (3) For school districts maintaining grades kindergarten
4 through 12, local property tax revenues per pupil shall be
5 calculated as the product of the applicable equalized assessed
6 valuation for the district multiplied by 3.00%, and divided by
7 the district's Average Daily Attendance figure. For school
8 districts maintaining grades kindergarten through 8, local
9 property tax revenues per pupil shall be calculated as the
10 product of the applicable equalized assessed valuation for the
11 district multiplied by 2.30%, and divided by the district's
12 Average Daily Attendance figure. For school districts
13 maintaining grades 9 through 12, local property tax revenues
14 per pupil shall be the applicable equalized assessed valuation
15 of the district multiplied by 1.05%, and divided by the
16 district's Average Daily Attendance figure.

17 For partial elementary unit districts created pursuant to
18 Article 11E of this Code, local property tax revenues per pupil
19 shall be calculated as the product of the equalized assessed
20 valuation for property within the partial elementary unit
21 district for elementary purposes, as defined in Article 11E of
22 this Code, multiplied by 2.06% and divided by the district's
23 Average Daily Attendance figure, plus the product of the
24 equalized assessed valuation for property within the partial
25 elementary unit district for high school purposes, as defined
26 in Article 11E of this Code, multiplied by 0.94% and divided by

1 the district's Average Daily Attendance figure.

2 (4) The Corporate Personal Property Replacement Taxes paid
3 to each school district during the calendar year 2 years before
4 the calendar year in which a school year begins, divided by the
5 Average Daily Attendance figure for that district, shall be
6 added to the local property tax revenues per pupil as derived
7 by the application of the immediately preceding paragraph (3).
8 The sum of these per pupil figures for each school district
9 shall constitute Available Local Resources as that term is
10 utilized in subsection (E) in the calculation of general State
11 aid.

12 (E) Computation of General State Aid.

13 (1) For each school year, the amount of general State aid
14 allotted to a school district shall be computed by the State
15 Board of Education as provided in this subsection.

16 (2) For any school district for which Available Local
17 Resources per pupil is less than the product of 0.93 times the
18 Foundation Level, general State aid for that district shall be
19 calculated as an amount equal to the Foundation Level minus
20 Available Local Resources, multiplied by the Average Daily
21 Attendance of the school district.

22 (3) For any school district for which Available Local
23 Resources per pupil is equal to or greater than the product of
24 0.93 times the Foundation Level and less than the product of
25 1.75 times the Foundation Level, the general State aid per

1 pupil shall be a decimal proportion of the Foundation Level
2 derived using a linear algorithm. Under this linear algorithm,
3 the calculated general State aid per pupil shall decline in
4 direct linear fashion from 0.07 times the Foundation Level for
5 a school district with Available Local Resources equal to the
6 product of 0.93 times the Foundation Level, to 0.05 times the
7 Foundation Level for a school district with Available Local
8 Resources equal to the product of 1.75 times the Foundation
9 Level. The allocation of general State aid for school districts
10 subject to this paragraph 3 shall be the calculated general
11 State aid per pupil figure multiplied by the Average Daily
12 Attendance of the school district.

13 (4) For any school district for which Available Local
14 Resources per pupil equals or exceeds the product of 1.75 times
15 the Foundation Level, the general State aid for the school
16 district shall be calculated as the product of \$218 multiplied
17 by the Average Daily Attendance of the school district.

18 (5) The amount of general State aid allocated to a school
19 district for the 1999-2000 school year meeting the requirements
20 set forth in paragraph (4) of subsection (G) shall be increased
21 by an amount equal to the general State aid that would have
22 been received by the district for the 1998-1999 school year by
23 utilizing the Extension Limitation Equalized Assessed
24 Valuation as calculated in paragraph (4) of subsection (G) less
25 the general State aid allotted for the 1998-1999 school year.
26 This amount shall be deemed a one time increase, and shall not

1 affect any future general State aid allocations.

2 (F) Compilation of Average Daily Attendance.

3 (1) Each school district shall, by July 1 of each year,
4 submit to the State Board of Education, on forms prescribed by
5 the State Board of Education, attendance figures for the school
6 year that began in the preceding calendar year. The attendance
7 information so transmitted shall identify the average daily
8 attendance figures for each month of the school year. Beginning
9 with the general State aid claim form for the 2002-2003 school
10 year, districts shall calculate Average Daily Attendance as
11 provided in subdivisions (a), (b), and (c) of this paragraph
12 (1).

13 (a) In districts that do not hold year-round classes,
14 days of attendance in August shall be added to the month of
15 September and any days of attendance in June shall be added
16 to the month of May.

17 (b) In districts in which all buildings hold year-round
18 classes, days of attendance in July and August shall be
19 added to the month of September and any days of attendance
20 in June shall be added to the month of May.

21 (c) In districts in which some buildings, but not all,
22 hold year-round classes, for the non-year-round buildings,
23 days of attendance in August shall be added to the month of
24 September and any days of attendance in June shall be added
25 to the month of May. The average daily attendance for the

1 year-round buildings shall be computed as provided in
2 subdivision (b) of this paragraph (1). To calculate the
3 Average Daily Attendance for the district, the average
4 daily attendance for the year-round buildings shall be
5 multiplied by the days in session for the non-year-round
6 buildings for each month and added to the monthly
7 attendance of the non-year-round buildings.

8 Except as otherwise provided in this Section, days of
9 attendance by pupils shall be counted only for sessions of not
10 less than 5 clock hours of school work per day under direct
11 supervision of: (i) teachers, or (ii) non-teaching personnel or
12 volunteer personnel when engaging in non-teaching duties and
13 supervising in those instances specified in subsection (a) of
14 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
15 of legal school age and in kindergarten and grades 1 through
16 12.

17 Days of attendance by tuition pupils shall be accredited
18 only to the districts that pay the tuition to a recognized
19 school.

20 (2) Days of attendance by pupils of less than 5 clock hours
21 of school shall be subject to the following provisions in the
22 compilation of Average Daily Attendance.

23 (a) Pupils regularly enrolled in a public school for
24 only a part of the school day may be counted on the basis
25 of 1/6 day for every class hour of instruction of 40
26 minutes or more attended pursuant to such enrollment,

1 unless a pupil is enrolled in a block-schedule format of 80
2 minutes or more of instruction, in which case the pupil may
3 be counted on the basis of the proportion of minutes of
4 school work completed each day to the minimum number of
5 minutes that school work is required to be held that day.

6 (b) Days of attendance may be less than 5 clock hours
7 on the opening and closing of the school term, and upon the
8 first day of pupil attendance, if preceded by a day or days
9 utilized as an institute or teachers' workshop.

10 (c) A session of 4 or more clock hours may be counted
11 as a day of attendance upon certification by the regional
12 superintendent, and approved by the State Superintendent
13 of Education to the extent that the district has been
14 forced to use daily multiple sessions.

15 (d) A session of 3 or more clock hours may be counted
16 as a day of attendance (1) when the remainder of the school
17 day or at least 2 hours in the evening of that day is
18 utilized for an in-service training program for teachers,
19 up to a maximum of 5 days per school year of which a
20 maximum of 4 days of such 5 days may be used for
21 parent-teacher conferences, provided a district conducts
22 an in-service training program for teachers which has been
23 approved by the State Superintendent of Education; or, in
24 lieu of 4 such days, 2 full days may be used, in which
25 event each such day may be counted as a day of attendance;
26 and (2) when days in addition to those provided in item (1)

1 are scheduled by a school pursuant to its school
2 improvement plan adopted under Article 34 or its revised or
3 amended school improvement plan adopted under Article 2,
4 provided that (i) such sessions of 3 or more clock hours
5 are scheduled to occur at regular intervals, (ii) the
6 remainder of the school days in which such sessions occur
7 are utilized for in-service training programs or other
8 staff development activities for teachers, and (iii) a
9 sufficient number of minutes of school work under the
10 direct supervision of teachers are added to the school days
11 between such regularly scheduled sessions to accumulate
12 not less than the number of minutes by which such sessions
13 of 3 or more clock hours fall short of 5 clock hours. Any
14 full days used for the purposes of this paragraph shall not
15 be considered for computing average daily attendance. Days
16 scheduled for in-service training programs, staff
17 development activities, or parent-teacher conferences may
18 be scheduled separately for different grade levels and
19 different attendance centers of the district.

20 (e) A session of not less than one clock hour of
21 teaching hospitalized or homebound pupils on-site or by
22 telephone to the classroom may be counted as 1/2 day of
23 attendance, however these pupils must receive 4 or more
24 clock hours of instruction to be counted for a full day of
25 attendance.

26 (f) A session of at least 4 clock hours may be counted

1 as a day of attendance for first grade pupils, and pupils
2 in full day kindergartens, and a session of 2 or more hours
3 may be counted as 1/2 day of attendance by pupils in
4 kindergartens which provide only 1/2 day of attendance.

5 (g) For children with disabilities who are below the
6 age of 6 years and who cannot attend 2 or more clock hours
7 because of their disability or immaturity, a session of not
8 less than one clock hour may be counted as 1/2 day of
9 attendance; however for such children whose educational
10 needs so require a session of 4 or more clock hours may be
11 counted as a full day of attendance.

12 (h) A recognized kindergarten which provides for only
13 1/2 day of attendance by each pupil shall not have more
14 than 1/2 day of attendance counted in any one day. However,
15 kindergartens may count 2 1/2 days of attendance in any 5
16 consecutive school days. When a pupil attends such a
17 kindergarten for 2 half days on any one school day, the
18 pupil shall have the following day as a day absent from
19 school, unless the school district obtains permission in
20 writing from the State Superintendent of Education.
21 Attendance at kindergartens which provide for a full day of
22 attendance by each pupil shall be counted the same as
23 attendance by first grade pupils. Only the first year of
24 attendance in one kindergarten shall be counted, except in
25 case of children who entered the kindergarten in their
26 fifth year whose educational development requires a second

1 year of kindergarten as determined under the rules and
2 regulations of the State Board of Education.

3 (i) On the days when the Prairie State Achievement
4 Examination is administered under subsection (c) of
5 Section 2-3.64 of this Code, the day of attendance for a
6 pupil whose school day must be shortened to accommodate
7 required testing procedures may be less than 5 clock hours
8 and shall be counted towards the 176 days of actual pupil
9 attendance required under Section 10-19 of this Code,
10 provided that a sufficient number of minutes of school work
11 in excess of 5 clock hours are first completed on other
12 school days to compensate for the loss of school work on
13 the examination days.

14 (G) Equalized Assessed Valuation Data.

15 (1) For purposes of the calculation of Available Local
16 Resources required pursuant to subsection (D), the State Board
17 of Education shall secure from the Department of Revenue the
18 value as equalized or assessed by the Department of Revenue of
19 all taxable property of every school district, together with
20 (i) the applicable tax rate used in extending taxes for the
21 funds of the district as of September 30 of the previous year
22 and (ii) the limiting rate for all school districts subject to
23 property tax extension limitations as imposed under the
24 Property Tax Extension Limitation Law.

25 The Department of Revenue shall add to the equalized

1 assessed value of all taxable property of each school district
2 situated entirely or partially within a county that is or was
3 subject to the provisions of Section 15-176 or 15-177 of the
4 Property Tax Code (a) an amount equal to the total amount by
5 which the homestead exemption allowed under Section 15-176 or
6 15-177 of the Property Tax Code for real property situated in
7 that school district exceeds the total amount that would have
8 been allowed in that school district if the maximum reduction
9 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in
10 all other counties in tax year 2003 or (ii) \$5,000 in all
11 counties in tax year 2004 and thereafter and (b) an amount
12 equal to the aggregate amount for the taxable year of all
13 additional exemptions under Section 15-175 of the Property Tax
14 Code for owners with a household income of \$30,000 or less. The
15 county clerk of any county that is or was subject to the
16 provisions of Section 15-176 or 15-177 of the Property Tax Code
17 shall annually calculate and certify to the Department of
18 Revenue for each school district all homestead exemption
19 amounts under Section 15-176 or 15-177 of the Property Tax Code
20 and all amounts of additional exemptions under Section 15-175
21 of the Property Tax Code for owners with a household income of
22 \$30,000 or less. It is the intent of this paragraph that if the
23 general homestead exemption for a parcel of property is
24 determined under Section 15-176 or 15-177 of the Property Tax
25 Code rather than Section 15-175, then the calculation of
26 Available Local Resources shall not be affected by the

1 difference, if any, between the amount of the general homestead
2 exemption allowed for that parcel of property under Section
3 15-176 or 15-177 of the Property Tax Code and the amount that
4 would have been allowed had the general homestead exemption for
5 that parcel of property been determined under Section 15-175 of
6 the Property Tax Code. It is further the intent of this
7 paragraph that if additional exemptions are allowed under
8 Section 15-175 of the Property Tax Code for owners with a
9 household income of less than \$30,000, then the calculation of
10 Available Local Resources shall not be affected by the
11 difference, if any, because of those additional exemptions.

12 This equalized assessed valuation, as adjusted further by
13 the requirements of this subsection, shall be utilized in the
14 calculation of Available Local Resources.

15 (2) The equalized assessed valuation in paragraph (1) shall
16 be adjusted, as applicable, in the following manner:

17 (a) For the purposes of calculating State aid under
18 this Section, with respect to any part of a school district
19 within a redevelopment project area in respect to which a
20 municipality has adopted tax increment allocation
21 financing pursuant to the Tax Increment Allocation
22 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
23 of the Illinois Municipal Code or the Industrial Jobs
24 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the
25 Illinois Municipal Code, no part of the current equalized
26 assessed valuation of real property located in any such

1 project area which is attributable to an increase above the
2 total initial equalized assessed valuation of such
3 property shall be used as part of the equalized assessed
4 valuation of the district, until such time as all
5 redevelopment project costs have been paid, as provided in
6 Section 11-74.4-8 of the Tax Increment Allocation
7 Redevelopment Act or in Section 11-74.6-35 of the
8 Industrial Jobs Recovery Law. For the purpose of the
9 equalized assessed valuation of the district, the total
10 initial equalized assessed valuation or the current
11 equalized assessed valuation, whichever is lower, shall be
12 used until such time as all redevelopment project costs
13 have been paid.

14 (b) The real property equalized assessed valuation for
15 a school district shall be adjusted by subtracting from the
16 real property value as equalized or assessed by the
17 Department of Revenue for the district an amount computed
18 by dividing the amount of any abatement of taxes under
19 Section 18-170 of the Property Tax Code by 3.00% for a
20 district maintaining grades kindergarten through 12, by
21 2.30% for a district maintaining grades kindergarten
22 through 8, or by 1.05% for a district maintaining grades 9
23 through 12 and adjusted by an amount computed by dividing
24 the amount of any abatement of taxes under subsection (a)
25 of Section 18-165 of the Property Tax Code by the same
26 percentage rates for district type as specified in this

1 subparagraph (b).

2 (3) For the 1999-2000 school year and each school year
3 thereafter, if a school district meets all of the criteria of
4 this subsection (G) (3), the school district's Available Local
5 Resources shall be calculated under subsection (D) using the
6 district's Extension Limitation Equalized Assessed Valuation
7 as calculated under this subsection (G) (3).

8 For purposes of this subsection (G) (3) the following terms
9 shall have the following meanings:

10 "Budget Year": The school year for which general State
11 aid is calculated and awarded under subsection (E).

12 "Base Tax Year": The property tax levy year used to
13 calculate the Budget Year allocation of general State aid.

14 "Preceding Tax Year": The property tax levy year
15 immediately preceding the Base Tax Year.

16 "Base Tax Year's Tax Extension": The product of the
17 equalized assessed valuation utilized by the County Clerk
18 in the Base Tax Year multiplied by the limiting rate as
19 calculated by the County Clerk and defined in the Property
20 Tax Extension Limitation Law.

21 "Preceding Tax Year's Tax Extension": The product of
22 the equalized assessed valuation utilized by the County
23 Clerk in the Preceding Tax Year multiplied by the Operating
24 Tax Rate as defined in subsection (A).

25 "Extension Limitation Ratio": A numerical ratio,
26 certified by the County Clerk, in which the numerator is

1 the Base Tax Year's Tax Extension and the denominator is
2 the Preceding Tax Year's Tax Extension.

3 "Operating Tax Rate": The operating tax rate as defined
4 in subsection (A).

5 If a school district is subject to property tax extension
6 limitations as imposed under the Property Tax Extension
7 Limitation Law, the State Board of Education shall calculate
8 the Extension Limitation Equalized Assessed Valuation of that
9 district. For the 1999-2000 school year, the Extension
10 Limitation Equalized Assessed Valuation of a school district as
11 calculated by the State Board of Education shall be equal to
12 the product of the district's 1996 Equalized Assessed Valuation
13 and the district's Extension Limitation Ratio. For the
14 2000-2001 school year and each school year thereafter, the
15 Extension Limitation Equalized Assessed Valuation of a school
16 district as calculated by the State Board of Education shall be
17 equal to the product of the Equalized Assessed Valuation last
18 used in the calculation of general State aid and the district's
19 Extension Limitation Ratio. If the Extension Limitation
20 Equalized Assessed Valuation of a school district as calculated
21 under this subsection (G)(3) is less than the district's
22 equalized assessed valuation as calculated pursuant to
23 subsections (G)(1) and (G)(2), then for purposes of calculating
24 the district's general State aid for the Budget Year pursuant
25 to subsection (E), that Extension Limitation Equalized
26 Assessed Valuation shall be utilized to calculate the

1 district's Available Local Resources under subsection (D).

2 Partial elementary unit districts created in accordance
3 with Article 11E of this Code shall not be eligible for the
4 adjustment in this subsection (G)(3) until the fifth year
5 following the effective date of the reorganization.

6 (4) For the purposes of calculating general State aid for
7 the 1999-2000 school year only, if a school district
8 experienced a triennial reassessment on the equalized assessed
9 valuation used in calculating its general State financial aid
10 apportionment for the 1998-1999 school year, the State Board of
11 Education shall calculate the Extension Limitation Equalized
12 Assessed Valuation that would have been used to calculate the
13 district's 1998-1999 general State aid. This amount shall equal
14 the product of the equalized assessed valuation used to
15 calculate general State aid for the 1997-1998 school year and
16 the district's Extension Limitation Ratio. If the Extension
17 Limitation Equalized Assessed Valuation of the school district
18 as calculated under this paragraph (4) is less than the
19 district's equalized assessed valuation utilized in
20 calculating the district's 1998-1999 general State aid
21 allocation, then for purposes of calculating the district's
22 general State aid pursuant to paragraph (5) of subsection (E),
23 that Extension Limitation Equalized Assessed Valuation shall
24 be utilized to calculate the district's Available Local
25 Resources.

26 (5) For school districts having a majority of their

1 equalized assessed valuation in any county except Cook, DuPage,
2 Kane, Lake, McHenry, or Will, if the amount of general State
3 aid allocated to the school district for the 1999-2000 school
4 year under the provisions of subsection (E), (H), and (J) of
5 this Section is less than the amount of general State aid
6 allocated to the district for the 1998-1999 school year under
7 these subsections, then the general State aid of the district
8 for the 1999-2000 school year only shall be increased by the
9 difference between these amounts. The total payments made under
10 this paragraph (5) shall not exceed \$14,000,000. Claims shall
11 be prorated if they exceed \$14,000,000.

12 (H) Supplemental General State Aid.

13 (1) In addition to the general State aid a school district
14 is allotted pursuant to subsection (E), qualifying school
15 districts shall receive a grant, paid in conjunction with a
16 district's payments of general State aid, for supplemental
17 general State aid based upon the concentration level of
18 children from low-income households within the school
19 district. Supplemental State aid grants provided for school
20 districts under this subsection shall be appropriated for
21 distribution to school districts as part of the same line item
22 in which the general State financial aid of school districts is
23 appropriated under this Section. If the appropriation in any
24 fiscal year for general State aid and supplemental general
25 State aid is insufficient to pay the amounts required under the

1 general State aid and supplemental general State aid
2 calculations, then the State Board of Education shall ensure
3 that each school district receives the full amount due for
4 general State aid and the remainder of the appropriation shall
5 be used for supplemental general State aid, which the State
6 Board of Education shall calculate and pay to eligible
7 districts on a prorated basis.

8 (1.5) This paragraph (1.5) applies only to those school
9 years preceding the 2003-2004 school year. For purposes of this
10 subsection (H), the term "Low-Income Concentration Level"
11 shall be the low-income eligible pupil count from the most
12 recently available federal census divided by the Average Daily
13 Attendance of the school district. If, however, (i) the
14 percentage decrease from the 2 most recent federal censuses in
15 the low-income eligible pupil count of a high school district
16 with fewer than 400 students exceeds by 75% or more the
17 percentage change in the total low-income eligible pupil count
18 of contiguous elementary school districts, whose boundaries
19 are coterminous with the high school district, or (ii) a high
20 school district within 2 counties and serving 5 elementary
21 school districts, whose boundaries are coterminous with the
22 high school district, has a percentage decrease from the 2 most
23 recent federal censuses in the low-income eligible pupil count
24 and there is a percentage increase in the total low-income
25 eligible pupil count of a majority of the elementary school
26 districts in excess of 50% from the 2 most recent federal

1 censuses, then the high school district's low-income eligible
2 pupil count from the earlier federal census shall be the number
3 used as the low-income eligible pupil count for the high school
4 district, for purposes of this subsection (H). The changes made
5 to this paragraph (1) by Public Act 92-28 shall apply to
6 supplemental general State aid grants for school years
7 preceding the 2003-2004 school year that are paid in fiscal
8 year 1999 or thereafter and to any State aid payments made in
9 fiscal year 1994 through fiscal year 1998 pursuant to
10 subsection 1(n) of Section 18-8 of this Code (which was
11 repealed on July 1, 1998), and any high school district that is
12 affected by Public Act 92-28 is entitled to a recomputation of
13 its supplemental general State aid grant or State aid paid in
14 any of those fiscal years. This recomputation shall not be
15 affected by any other funding.

16 (1.10) This paragraph (1.10) applies to the 2003-2004
17 school year and each school year thereafter. For purposes of
18 this subsection (H), the term "Low-Income Concentration Level"
19 shall, for each fiscal year, be the low-income eligible pupil
20 count as of July 1 of the immediately preceding fiscal year (as
21 determined by the Department of Human Services based on the
22 number of pupils who are eligible for at least one of the
23 following low income programs: Medicaid, KidCare, TANF, or Food
24 Stamps, excluding pupils who are eligible for services provided
25 by the Department of Children and Family Services, averaged
26 over the 2 immediately preceding fiscal years for fiscal year

1 2004 and over the 3 immediately preceding fiscal years for each
2 fiscal year thereafter) divided by the Average Daily Attendance
3 of the school district.

4 (2) Supplemental general State aid pursuant to this
5 subsection (H) shall be provided as follows for the 1998-1999,
6 1999-2000, and 2000-2001 school years only:

7 (a) For any school district with a Low Income
8 Concentration Level of at least 20% and less than 35%, the
9 grant for any school year shall be \$800 multiplied by the
10 low income eligible pupil count.

11 (b) For any school district with a Low Income
12 Concentration Level of at least 35% and less than 50%, the
13 grant for the 1998-1999 school year shall be \$1,100
14 multiplied by the low income eligible pupil count.

15 (c) For any school district with a Low Income
16 Concentration Level of at least 50% and less than 60%, the
17 grant for the 1998-99 school year shall be \$1,500
18 multiplied by the low income eligible pupil count.

19 (d) For any school district with a Low Income
20 Concentration Level of 60% or more, the grant for the
21 1998-99 school year shall be \$1,900 multiplied by the low
22 income eligible pupil count.

23 (e) For the 1999-2000 school year, the per pupil amount
24 specified in subparagraphs (b), (c), and (d) immediately
25 above shall be increased to \$1,243, \$1,600, and \$2,000,
26 respectively.

1 (f) For the 2000-2001 school year, the per pupil
2 amounts specified in subparagraphs (b), (c), and (d)
3 immediately above shall be \$1,273, \$1,640, and \$2,050,
4 respectively.

5 (2.5) Supplemental general State aid pursuant to this
6 subsection (H) shall be provided as follows for the 2002-2003
7 school year:

8 (a) For any school district with a Low Income
9 Concentration Level of less than 10%, the grant for each
10 school year shall be \$355 multiplied by the low income
11 eligible pupil count.

12 (b) For any school district with a Low Income
13 Concentration Level of at least 10% and less than 20%, the
14 grant for each school year shall be \$675 multiplied by the
15 low income eligible pupil count.

16 (c) For any school district with a Low Income
17 Concentration Level of at least 20% and less than 35%, the
18 grant for each school year shall be \$1,330 multiplied by
19 the low income eligible pupil count.

20 (d) For any school district with a Low Income
21 Concentration Level of at least 35% and less than 50%, the
22 grant for each school year shall be \$1,362 multiplied by
23 the low income eligible pupil count.

24 (e) For any school district with a Low Income
25 Concentration Level of at least 50% and less than 60%, the
26 grant for each school year shall be \$1,680 multiplied by

1 the low income eligible pupil count.

2 (f) For any school district with a Low Income
3 Concentration Level of 60% or more, the grant for each
4 school year shall be \$2,080 multiplied by the low income
5 eligible pupil count.

6 (2.10) Except as otherwise provided, supplemental general
7 State aid pursuant to this subsection (H) shall be provided as
8 follows for the 2003-2004 school year and each school year
9 thereafter:

10 (a) For any school district with a Low Income
11 Concentration Level of 15% or less, the grant for each
12 school year shall be \$355 multiplied by the low income
13 eligible pupil count.

14 (b) For any school district with a Low Income
15 Concentration Level greater than 15%, the grant for each
16 school year shall be \$294.25 added to the product of \$2,700
17 and the square of the Low Income Concentration Level, all
18 multiplied by the low income eligible pupil count.

19 For the 2003-2004 school year and each school year
20 thereafter through the 2008-2009 school year only, the grant
21 shall be no less than the grant for the 2002-2003 school year.
22 For the 2009-2010 school year only, the grant shall be no less
23 than the grant for the 2002-2003 school year multiplied by
24 0.66. For the 2010-2011 school year only, the grant shall be no
25 less than the grant for the 2002-2003 school year multiplied by
26 0.33. Notwithstanding the provisions of this paragraph to the

1 contrary, if for any school year supplemental general State aid
2 grants are prorated as provided in paragraph (1) of this
3 subsection (H), then the grants under this paragraph shall be
4 prorated.

5 For the 2003-2004 school year only, the grant shall be no
6 greater than the grant received during the 2002-2003 school
7 year added to the product of 0.25 multiplied by the difference
8 between the grant amount calculated under subsection (a) or (b)
9 of this paragraph (2.10), whichever is applicable, and the
10 grant received during the 2002-2003 school year. For the
11 2004-2005 school year only, the grant shall be no greater than
12 the grant received during the 2002-2003 school year added to
13 the product of 0.50 multiplied by the difference between the
14 grant amount calculated under subsection (a) or (b) of this
15 paragraph (2.10), whichever is applicable, and the grant
16 received during the 2002-2003 school year. For the 2005-2006
17 school year only, the grant shall be no greater than the grant
18 received during the 2002-2003 school year added to the product
19 of 0.75 multiplied by the difference between the grant amount
20 calculated under subsection (a) or (b) of this paragraph
21 (2.10), whichever is applicable, and the grant received during
22 the 2002-2003 school year.

23 (3) School districts with an Average Daily Attendance of
24 more than 1,000 and less than 50,000 that qualify for
25 supplemental general State aid pursuant to this subsection
26 shall submit a plan to the State Board of Education prior to

1 October 30 of each year for the use of the funds resulting from
2 this grant of supplemental general State aid for the
3 improvement of instruction in which priority is given to
4 meeting the education needs of disadvantaged children. Such
5 plan shall be submitted in accordance with rules and
6 regulations promulgated by the State Board of Education.

7 (4) School districts with an Average Daily Attendance of
8 50,000 or more that qualify for supplemental general State aid
9 pursuant to this subsection shall be required to distribute
10 from funds available pursuant to this Section, no less than
11 \$261,000,000 in accordance with the following requirements:

12 (a) The required amounts shall be distributed to the
13 attendance centers within the district in proportion to the
14 number of pupils enrolled at each attendance center who are
15 eligible to receive free or reduced-price lunches or
16 breakfasts under the federal Child Nutrition Act of 1966
17 and under the National School Lunch Act during the
18 immediately preceding school year.

19 (b) The distribution of these portions of supplemental
20 and general State aid among attendance centers according to
21 these requirements shall not be compensated for or
22 contravened by adjustments of the total of other funds
23 appropriated to any attendance centers, and the Board of
24 Education shall utilize funding from one or several sources
25 in order to fully implement this provision annually prior
26 to the opening of school.

1 (c) Each attendance center shall be provided by the
2 school district a distribution of noncategorical funds and
3 other categorical funds to which an attendance center is
4 entitled under law in order that the general State aid and
5 supplemental general State aid provided by application of
6 this subsection supplements rather than supplants the
7 noncategorical funds and other categorical funds provided
8 by the school district to the attendance centers.

9 (d) Any funds made available under this subsection that
10 by reason of the provisions of this subsection are not
11 required to be allocated and provided to attendance centers
12 may be used and appropriated by the board of the district
13 for any lawful school purpose.

14 (e) Funds received by an attendance center pursuant to
15 this subsection shall be used by the attendance center at
16 the discretion of the principal and local school council
17 for programs to improve educational opportunities at
18 qualifying schools through the following programs and
19 services: early childhood education, reduced class size or
20 improved adult to student classroom ratio, enrichment
21 programs, remedial assistance, attendance improvement, and
22 other educationally beneficial expenditures which
23 supplement the regular and basic programs as determined by
24 the State Board of Education. Funds provided shall not be
25 expended for any political or lobbying purposes as defined
26 by board rule.

1 (f) Each district subject to the provisions of this
2 subdivision (H) (4) shall submit an acceptable plan to meet
3 the educational needs of disadvantaged children, in
4 compliance with the requirements of this paragraph, to the
5 State Board of Education prior to July 15 of each year.
6 This plan shall be consistent with the decisions of local
7 school councils concerning the school expenditure plans
8 developed in accordance with part 4 of Section 34-2.3. The
9 State Board shall approve or reject the plan within 60 days
10 after its submission. If the plan is rejected, the district
11 shall give written notice of intent to modify the plan
12 within 15 days of the notification of rejection and then
13 submit a modified plan within 30 days after the date of the
14 written notice of intent to modify. Districts may amend
15 approved plans pursuant to rules promulgated by the State
16 Board of Education.

17 Upon notification by the State Board of Education that
18 the district has not submitted a plan prior to July 15 or a
19 modified plan within the time period specified herein, the
20 State aid funds affected by that plan or modified plan
21 shall be withheld by the State Board of Education until a
22 plan or modified plan is submitted.

23 If the district fails to distribute State aid to
24 attendance centers in accordance with an approved plan, the
25 plan for the following year shall allocate funds, in
26 addition to the funds otherwise required by this

1 subsection, to those attendance centers which were
2 underfunded during the previous year in amounts equal to
3 such underfunding.

4 For purposes of determining compliance with this
5 subsection in relation to the requirements of attendance
6 center funding, each district subject to the provisions of
7 this subsection shall submit as a separate document by
8 December 1 of each year a report of expenditure data for
9 the prior year in addition to any modification of its
10 current plan. If it is determined that there has been a
11 failure to comply with the expenditure provisions of this
12 subsection regarding contravention or supplanting, the
13 State Superintendent of Education shall, within 60 days of
14 receipt of the report, notify the district and any affected
15 local school council. The district shall within 45 days of
16 receipt of that notification inform the State
17 Superintendent of Education of the remedial or corrective
18 action to be taken, whether by amendment of the current
19 plan, if feasible, or by adjustment in the plan for the
20 following year. Failure to provide the expenditure report
21 or the notification of remedial or corrective action in a
22 timely manner shall result in a withholding of the affected
23 funds.

24 The State Board of Education shall promulgate rules and
25 regulations to implement the provisions of this
26 subsection. No funds shall be released under this

1 subdivision (H) (4) to any district that has not submitted a
2 plan that has been approved by the State Board of
3 Education.

4 (I) (Blank).

5 (J) Supplementary Grants in Aid.

6 (1) Notwithstanding any other provisions of this Section,
7 the amount of the aggregate general State aid in combination
8 with supplemental general State aid under this Section for
9 which each school district is eligible shall be no less than
10 the amount of the aggregate general State aid entitlement that
11 was received by the district under Section 18-8 (exclusive of
12 amounts received under subsections 5(p) and 5(p-5) of that
13 Section) for the 1997-98 school year, pursuant to the
14 provisions of that Section as it was then in effect. If a
15 school district qualifies to receive a supplementary payment
16 made under this subsection (J), the amount of the aggregate
17 general State aid in combination with supplemental general
18 State aid under this Section which that district is eligible to
19 receive for each school year shall be no less than the amount
20 of the aggregate general State aid entitlement that was
21 received by the district under Section 18-8 (exclusive of
22 amounts received under subsections 5(p) and 5(p-5) of that
23 Section) for the 1997-1998 school year, pursuant to the
24 provisions of that Section as it was then in effect.

1 (2) If, as provided in paragraph (1) of this subsection
2 (J), a school district is to receive aggregate general State
3 aid in combination with supplemental general State aid under
4 this Section for the 1998-99 school year and any subsequent
5 school year that in any such school year is less than the
6 amount of the aggregate general State aid entitlement that the
7 district received for the 1997-98 school year, the school
8 district shall also receive, from a separate appropriation made
9 for purposes of this subsection (J), a supplementary payment
10 that is equal to the amount of the difference in the aggregate
11 State aid figures as described in paragraph (1).

12 (3) (Blank).

13 (K) Grants to Laboratory and Alternative Schools.

14 In calculating the amount to be paid to the governing board
15 of a public university that operates a laboratory school under
16 this Section or to any alternative school that is operated by a
17 regional superintendent of schools, the State Board of
18 Education shall require by rule such reporting requirements as
19 it deems necessary.

20 As used in this Section, "laboratory school" means a public
21 school which is created and operated by a public university and
22 approved by the State Board of Education. The governing board
23 of a public university which receives funds from the State
24 Board under this subsection (K) may not increase the number of
25 students enrolled in its laboratory school from a single

1 district, if that district is already sending 50 or more
2 students, except under a mutual agreement between the school
3 board of a student's district of residence and the university
4 which operates the laboratory school. A laboratory school may
5 not have more than 1,000 students, excluding students with
6 disabilities in a special education program.

7 As used in this Section, "alternative school" means a
8 public school which is created and operated by a Regional
9 Superintendent of Schools and approved by the State Board of
10 Education. Such alternative schools may offer courses of
11 instruction for which credit is given in regular school
12 programs, courses to prepare students for the high school
13 equivalency testing program or vocational and occupational
14 training. A regional superintendent of schools may contract
15 with a school district or a public community college district
16 to operate an alternative school. An alternative school serving
17 more than one educational service region may be established by
18 the regional superintendents of schools of the affected
19 educational service regions. An alternative school serving
20 more than one educational service region may be operated under
21 such terms as the regional superintendents of schools of those
22 educational service regions may agree.

23 Each laboratory and alternative school shall file, on forms
24 provided by the State Superintendent of Education, an annual
25 State aid claim which states the Average Daily Attendance of
26 the school's students by month. The best 3 months' Average

1 Daily Attendance shall be computed for each school. The general
2 State aid entitlement shall be computed by multiplying the
3 applicable Average Daily Attendance by the Foundation Level as
4 determined under this Section.

5 (L) Payments, Additional Grants in Aid and Other Requirements.

6 (1) For a school district operating under the financial
7 supervision of an Authority created under Article 34A, the
8 general State aid otherwise payable to that district under this
9 Section, but not the supplemental general State aid, shall be
10 reduced by an amount equal to the budget for the operations of
11 the Authority as certified by the Authority to the State Board
12 of Education, and an amount equal to such reduction shall be
13 paid to the Authority created for such district for its
14 operating expenses in the manner provided in Section 18-11. The
15 remainder of general State school aid for any such district
16 shall be paid in accordance with Article 34A when that Article
17 provides for a disposition other than that provided by this
18 Article.

19 (2) (Blank).

20 (3) Summer school. Summer school payments shall be made as
21 provided in Section 18-4.3.

22 (M) Education Funding Advisory Board.

23 The Education Funding Advisory Board, hereinafter in this
24 subsection (M) referred to as the "Board", is hereby created.

1 The Board shall consist of 5 members who are appointed by the
2 Governor, by and with the advice and consent of the Senate. The
3 members appointed shall include representatives of education,
4 business, and the general public. One of the members so
5 appointed shall be designated by the Governor at the time the
6 appointment is made as the chairperson of the Board. The
7 initial members of the Board may be appointed any time after
8 the effective date of this amendatory Act of 1997. The regular
9 term of each member of the Board shall be for 4 years from the
10 third Monday of January of the year in which the term of the
11 member's appointment is to commence, except that of the 5
12 initial members appointed to serve on the Board, the member who
13 is appointed as the chairperson shall serve for a term that
14 commences on the date of his or her appointment and expires on
15 the third Monday of January, 2002, and the remaining 4 members,
16 by lots drawn at the first meeting of the Board that is held
17 after all 5 members are appointed, shall determine 2 of their
18 number to serve for terms that commence on the date of their
19 respective appointments and expire on the third Monday of
20 January, 2001, and 2 of their number to serve for terms that
21 commence on the date of their respective appointments and
22 expire on the third Monday of January, 2000. All members
23 appointed to serve on the Board shall serve until their
24 respective successors are appointed and confirmed. Vacancies
25 shall be filled in the same manner as original appointments. If
26 a vacancy in membership occurs at a time when the Senate is not

1 in session, the Governor shall make a temporary appointment
2 until the next meeting of the Senate, when he or she shall
3 appoint, by and with the advice and consent of the Senate, a
4 person to fill that membership for the unexpired term. If the
5 Senate is not in session when the initial appointments are
6 made, those appointments shall be made as in the case of
7 vacancies.

8 The Education Funding Advisory Board shall be deemed
9 established, and the initial members appointed by the Governor
10 to serve as members of the Board shall take office, on the date
11 that the Governor makes his or her appointment of the fifth
12 initial member of the Board, whether those initial members are
13 then serving pursuant to appointment and confirmation or
14 pursuant to temporary appointments that are made by the
15 Governor as in the case of vacancies.

16 The State Board of Education shall provide such staff
17 assistance to the Education Funding Advisory Board as is
18 reasonably required for the proper performance by the Board of
19 its responsibilities.

20 For school years after the 2000-2001 school year, the
21 Education Funding Advisory Board, in consultation with the
22 State Board of Education, shall make recommendations as
23 provided in this subsection (M) to the General Assembly for the
24 foundation level under subsection (B) ~~subdivision (B)(3)~~ of
25 this Section and for the supplemental general State aid grant
26 level under subsection (H) of this Section for districts with

1 high concentrations of children from poverty. The recommended
2 foundation level shall be determined based on a methodology
3 which incorporates the basic education expenditures of
4 low-spending schools exhibiting high academic performance. The
5 Education Funding Advisory Board shall make such
6 recommendations to the General Assembly on January 1 of odd
7 numbered years, beginning January 1, 2001.

8 (N) (Blank).

9 (O) References.

10 (1) References in other laws to the various subdivisions of
11 Section 18-8 as that Section existed before its repeal and
12 replacement by this Section 18-8.05 shall be deemed to refer to
13 the corresponding provisions of this Section 18-8.05, to the
14 extent that those references remain applicable.

15 (2) References in other laws to State Chapter 1 funds shall
16 be deemed to refer to the supplemental general State aid
17 provided under subsection (H) of this Section.

18 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
19 changes to this Section. Under Section 6 of the Statute on
20 Statutes there is an irreconcilable conflict between Public Act
21 93-808 and Public Act 93-838. Public Act 93-838, being the last
22 acted upon, is controlling. The text of Public Act 93-838 is
23 the law regardless of the text of Public Act 93-808.

1 (Source: P.A. 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835,
2 eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07;
3 95-331, eff. 8-21-07; 95-644, eff. 10-12-07; 95-707, eff.
4 1-11-08; 95-744, eff. 7-18-08; 95-903, eff. 8-25-08; revised
5 9-5-08.)

6 (105 ILCS 5/19-3) (from Ch. 122, par. 19-3)

7 Sec. 19-3. Boards of education. Any school district
8 governed by a board of education and having a population of not
9 more than 500,000 inhabitants, and not governed by a special
10 Act may borrow money for the purpose of building, equipping,
11 altering or repairing school buildings or purchasing or
12 improving school sites, or acquiring and equipping
13 playgrounds, recreation grounds, athletic fields, and other
14 buildings or land used or useful for school purposes or for the
15 purpose of purchasing a site, with or without a building or
16 buildings thereon, or for the building of a house or houses on
17 such site, or for the building of a house or houses on the
18 school site of the school district, for residential purposes of
19 the superintendent, principal, or teachers of the school
20 district, and issue its negotiable coupon bonds therefor signed
21 by the president and secretary of the board, in denominations
22 of not less than \$100 nor more than \$5,000, payable at such
23 place and at such time or times, not exceeding 20 years from
24 date of issuance, as the board of education may prescribe, and
25 bearing interest at a rate not to exceed the maximum rate

1 authorized by the Bond Authorization Act, as amended at the
2 time of the making of the contract, payable annually,
3 semiannually or quarterly, but, with the exception of those
4 bonds described in Section 17-2.11c of this Code, no such bonds
5 shall be issued unless the proposition to issue them is
6 submitted to the voters of the district at a referendum held at
7 a regularly scheduled election after the board has certified
8 the proposition to the proper election authorities in
9 accordance with the general election law, a majority of all the
10 votes cast on the proposition is in favor of the proposition,
11 and notice of such bond referendum has been given either (i) in
12 accordance with the second paragraph of Section 12-1 of the
13 Election Code irrespective of whether such notice included any
14 reference to the public question as it appeared on the ballot,
15 or (ii) for an election held on or after November 1, 1998, in
16 accordance with Section 12-5 of the Election Code, or (iii) by
17 publication of a true and legible copy of the specimen ballot
18 label containing the proposition in the form in which it
19 appeared or will appear on the official ballot label on the day
20 of the election at least 5 days before the day of the election
21 in at least one newspaper published in and having a general
22 circulation in the district, irrespective of any other
23 requirements of Article 12 or Section 24A-18 of the Election
24 Code, nor shall any residential site be acquired unless such
25 proposition to acquire a site is submitted to the voters of the
26 district at a referendum held at a regularly scheduled election

1 after the board has certified the proposition to the proper
2 election authorities in accordance with the general election
3 law and a majority of all the votes cast on the proposition is
4 in favor of the proposition. Nothing in this Act or in any
5 other law shall be construed to require the notice of the bond
6 referendum to be published over the name or title of the
7 election authority or the listing of maturity dates of any
8 bonds either in the notice of bond election or ballot used in
9 the bond election. The provisions of this Section concerning
10 notice of the bond referendum apply only to (i) consolidated
11 primary elections held prior to January 1, 2002 and the
12 consolidated election held on April 17, 2007 at which not less
13 than 60% of the voters voting on the bond proposition voted in
14 favor of the bond proposition, and (ii) other elections held
15 before July 1, 1999; otherwise, notices required in connection
16 with the submission of public questions shall be as set forth
17 in Section 12-5 of the Election Code. Such proposition may be
18 initiated by resolution of the school board.

19 With respect to instruments for the payment of money issued
20 under this Section either before, on, or after the effective
21 date of this amendatory Act of 1989, it is and always has been
22 the intention of the General Assembly (i) that the Omnibus Bond
23 Acts are and always have been supplementary grants of power to
24 issue instruments in accordance with the Omnibus Bond Acts,
25 regardless of any provision of this Act that may appear to be
26 or to have been more restrictive than those Acts, (ii) that the

1 provisions of this Section are not a limitation on the
2 supplementary authority granted by the Omnibus Bond Acts, and
3 (iii) that instruments issued under this Section within the
4 supplementary authority granted by the Omnibus Bond Acts are
5 not invalid because of any provision of this Act that may
6 appear to be or to have been more restrictive than those Acts.

7 The proceeds of any bonds issued under authority of this
8 Section shall be deposited and accounted for separately within
9 the Site and Construction/Capital Improvements Fund.

10 (Source: P.A. 95-30, eff. 8-7-07.)

11 (105 ILCS 5/21A-3 new)

12 Sec. 21A-3. Goals. The New Teacher Induction and Mentoring
13 Program under this Article shall accomplish the following
14 goals:

15 (1) provide an effective transition into the teaching
16 career for first year and second-year teachers in Illinois;

17 (2) improve the educational performance of pupils
18 through improved training, information, and assistance for
19 new teachers;

20 (3) ensure professional success and retention of new
21 teachers;

22 (4) ensure that mentors provide intensive
23 individualized support and assistance to each
24 participating beginning teacher;

25 (5) ensure that an individual induction plan is in

1 place for each beginning teacher and is based on an ongoing
2 assessment of the development of the beginning teacher; and
3 (6) ensure continuous program improvement through
4 ongoing research, development and evaluation.

5 (105 ILCS 5/21A-5)

6 Sec. 21A-5. Definitions. In this Article:

7 "New teacher" or "beginning teacher" means the holder of an
8 Initial Teaching Certificate, as set forth in Section 21-2 of
9 this Code, an Alternative Teaching Certificate, or a
10 Transitional Bilingual Teaching Certificate, who is employed
11 by a public school and who has not previously participated in a
12 new teacher induction and mentoring program required by this
13 Article, except as provided in Section 21A-25 of this Code.

14 "Public school" means any school operating pursuant to the
15 authority of this Code, including without limitation a school
16 district, a charter school, a cooperative or joint agreement
17 with a governing body or board of control, and a school
18 operated by a regional office of education or State agency.

19 (Source: P.A. 93-355, eff. 1-1-04.)

20 (105 ILCS 5/21A-10)

21 Sec. 21A-10. Development of program required. Prior to the
22 2011-2012 ~~During the 2003-2004~~ school year, each public school
23 or 2 or more public schools acting jointly shall develop, in
24 conjunction with its exclusive representative or their

1 exclusive representatives, if any, a new teacher induction and
2 mentoring program that meets the requirements set forth in
3 Section 21A-20 of this Code to assist new teachers in
4 developing the skills and strategies necessary for
5 instructional excellence, provided that funding is made
6 available by the State Board of Education from an appropriation
7 made for this purpose. ~~A public school that has an existing~~
8 ~~induction and mentoring program that does not meet the~~
9 ~~requirements set forth in Section 21A-20 of this Code may have~~
10 ~~school years 2003-2004 and 2004-2005 to develop a program that~~
11 ~~does meet those requirements and may receive funding as~~
12 ~~described in Section 21A-25 of this Code, provided that the~~
13 ~~funding is made available by the State Board of Education from~~
14 ~~an appropriation made for this purpose. A public school with~~
15 ~~such an existing induction and mentoring program may receive~~
16 ~~funding for the 2005-2006 school year for each new teacher in~~
17 ~~the second year of a 2 year program that does not meet the~~
18 ~~requirements set forth in Section 21A-20, as long as the public~~
19 ~~school has established the required new program by the~~
20 ~~beginning of that school year as described in Section 21A-15~~
21 ~~and provided that funding is made available by the State Board~~
22 ~~of Education from an appropriation made for this purpose as~~
23 ~~described in Section 21A-25.~~

24 (Source: P.A. 93-355, eff. 1-1-04.)

1 Sec. 21A-15. When program is to be established and
2 implemented. Notwithstanding any other provisions of this
3 Code, by the beginning of the 2011-2012 ~~2004-2005~~ school year
4 ~~(or by the beginning of the 2005-2006 school year for a public~~
5 ~~school that has been given an extension of time to develop a~~
6 ~~program under Section 21A-10 of this Code),~~ each public school
7 or 2 or more public schools acting jointly shall establish and
8 implement, in conjunction with its exclusive representative or
9 their exclusive representatives, if any, the new teacher
10 induction and mentoring program required to be developed under
11 Section 21A-10 of this Code, provided that funding is made
12 available by the State Board of Education, from an
13 appropriation made for this purpose, as described in Section
14 21A-25 of this Code. A public school may contract with an
15 institution of higher education or other independent party to
16 assist in implementing the program.

17 (Source: P.A. 93-355, eff. 1-1-04.)

18 (105 ILCS 5/21A-20)

19 Sec. 21A-20. Program requirements. Each new teacher
20 induction and mentoring program must be based on a plan that at
21 least does all of the following:

22 (1) Assigns a mentor teacher to each new teacher to
23 provide structured and intensive mentoring, as defined by
24 the State Board of Education, for a period of at least 2
25 school years.

1 (1.5) Ensures mentors are:

2 (A) carefully selected from experienced, exemplary
3 teachers using a clearly articulated, well-defined,
4 explicit criteria and open processes that may involve
5 key school partners;

6 (B) rigorously trained using best practices in the
7 field to ensure they are well prepared to assume their
8 responsibilities and are consistently supported in
9 their efforts to assist beginning teachers;

10 (C) provided with sufficient release time from
11 teaching to allow them to meet their responsibilities
12 as mentors, including regular contacts with their
13 beginning teachers and frequent observations of their
14 teaching practice; and

15 (D) equipped and selected to provide
16 classroom-focused and content-focused support whenever
17 possible.

18 (2) Aligns with the Illinois Professional Teaching
19 Standards, content area standards, and applicable local
20 school improvement and professional development plans, if
21 any.

22 (3) ~~(Blank). Addresses all of the following elements~~
23 ~~and how they will be provided:~~

24 ~~(A) Mentoring and support of the new teacher.~~

25 ~~(B) Professional development specifically designed~~
26 ~~to ensure the growth of the new teacher's knowledge and~~

1 ~~skills.~~

2 ~~(C) Formative assessment designed to ensure~~
3 ~~feedback and reflection, which must not be used in any~~
4 ~~evaluation of the new teacher.~~

5 (4) Describes the role of mentor teachers, the criteria
6 and process for their selection, and how they will be
7 trained, provided that each mentor teacher shall
8 demonstrate the best practices in teaching his or her
9 respective field of practice. A mentor teacher may not
10 directly or indirectly participate in the evaluation of a
11 new teacher pursuant to Article 24A of this Code or the
12 evaluation procedure of the public school, unless the
13 school district and exclusive bargaining representative of
14 its teachers negotiate and agree to it as part of an
15 alternative evaluation plan under Section 24A-5 or 24A-8 of
16 this Code.

17 (5) Provides ongoing professional development for both
18 beginning teachers and mentors.

19 (A) Beginning teachers shall participate in an
20 ongoing, formal network of novice colleagues for the
21 purpose of professional learning, problem-solving, and
22 mutual support. These regular learning opportunities
23 shall begin with an orientation to the induction and
24 mentoring program prior to the start of the school year
25 and continue throughout the academic year. The group
26 shall address issues of pedagogy, classroom management

1 and content knowledge, beginning teachers' assessed
2 needs, and local instructional needs or priorities.

3 (B) Mentors shall participate in an ongoing
4 professional learning community that supports their
5 practice and their use of mentoring tools, protocols,
6 and formative assessment in order to tailor and deepen
7 mentoring skills and advance induction practices,
8 support program implementation, provide for mentor
9 accountability in a supportive environment, and
10 provide support to each mentor's emerging leadership.

11 (6) Provides for ongoing assessment of beginning
12 teacher practice. Beginning teachers shall be subject to a
13 system of formative assessment in which the novice and
14 mentor collaboratively collect and analyze multiple
15 sources of data and reflect upon classroom practice in an
16 ongoing process. This assessment system shall be based on
17 the Illinois Professional Teaching Standards (IPTs), the
18 IPTS Continuum of Teacher Development, or a nationally
19 recognized teaching framework, as well as evidence of
20 teacher practice, including student work. The assessment
21 information shall be used to determine the scope, focus,
22 and content of professional development activities that
23 are the basis of the beginning teacher's individual
24 learning plan. The program shall provide time to ensure
25 that the quality of the process (such as observations, data
26 collection, and reflective conversations) is not

1 compromised.

2 (7) Identifies clear roles and responsibilities for
3 both administrators and site mentor leaders who are to work
4 collectively to ensure induction practices are integrated
5 into existing professional development initiatives and to
6 secure assignments and establish working conditions for
7 beginning teachers that maximize their chances for
8 success. Administrators and site mentor leaders must have
9 sufficient knowledge and experience to understand the
10 needs of beginning teachers and the role of principals in
11 supporting each component of the program. Site
12 administrators must take time to meet and communicate
13 concerns with beginning teachers and their mentors.

14 (8) Provides for ongoing evaluation of the New Teacher
15 Induction and Mentoring Program pursuant to Section 21A-30
16 of this Code.

17 (Source: P.A. 93-355, eff. 1-1-04.)

18 (105 ILCS 5/21A-25)

19 Sec. 21A-25. Funding. From a separate appropriation made
20 for the purposes of this Article, for each new teacher
21 ~~participating in a new teacher induction and mentoring program~~
22 that meets the requirements set forth in Section 21A-20 of this
23 Code ~~or in an existing program that is in the process of~~
24 ~~transition to a program that meets those requirements,~~ the
25 State Board of Education shall pay the public school \$6,000

1 ~~\$1,200~~ annually for each of 2 school years for the purpose of
2 providing one or more of the following:

3 (1) Mentor teacher compensation.

4 (2) Mentor teacher training and other resources, ~~or~~ new
5 teacher training and other resources, or both.

6 (3) Release time, including costs associated with
7 replacing a mentor teacher or new teacher in his or her
8 regular classroom.

9 (4) Site-based program administration, not to exceed
10 10% of the total program cost.

11 However, if a new teacher, after participating in the new
12 teacher induction and mentoring program for one school year,
13 becomes employed by another public school, the State Board of
14 Education shall pay the teacher's new school \$6,000 ~~\$1,200~~ for
15 the second school year and the teacher shall continue to be a
16 new teacher as defined in this Article. Each public school
17 shall determine, in conjunction with its exclusive
18 representative, if any, how the \$6,000 ~~\$1,200~~ per school year
19 for each new teacher shall be used, provided that if a mentor
20 teacher receives additional release time to support a new
21 teacher, the total workload of other teachers regularly
22 employed by the public school shall not increase in any
23 substantial manner. If the appropriation is insufficient to
24 cover the \$6,000 ~~\$1,200~~ per school year for each new teacher,
25 public schools are not required to develop or implement the
26 program established by this Article. In the event of an

1 insufficient appropriation, a public school or 2 or more
2 schools acting jointly may submit an application for a grant
3 administered by the State Board of Education and awarded on a
4 competitive basis to establish a new teacher induction and
5 mentoring program that meets the criteria set forth in Section
6 21A-20 of this Code. The State Board of Education may retain up
7 to \$1,000,000 of the appropriation for new teacher induction
8 and mentoring programs to train mentor teachers,
9 administrators, and other personnel, to provide best practices
10 information, and to conduct an evaluation of these programs'
11 impact and effectiveness.

12 (Source: P.A. 93-355, eff. 1-1-04.)

13 (105 ILCS 5/21A-30)

14 Sec. 21A-30. Evaluation of programs. The State Board of
15 Education and the State Teacher Certification Board shall
16 jointly contract with an independent party to conduct a
17 comprehensive evaluation of new teacher induction and
18 mentoring programs established pursuant to this Article. The
19 first report of this evaluation shall be presented to the
20 General Assembly on or before January 1, 2013 ~~2009~~. Subsequent
21 evaluations shall be conducted and reports presented to the
22 General Assembly on or before January 1 of every third year
23 thereafter. Additionally, the State Board of Education shall
24 prepare an annual program report for the General Assembly on or
25 before December 31 each year. It shall summarize local program

1 design, indicate the number of teachers served, and document
2 rates of new teacher attrition and retention.

3 (Source: P.A. 93-355, eff. 1-1-04.)

4 (105 ILCS 5/23-3) (from Ch. 122, par. 23-3)

5 Sec. 23-3. Filing copy of constitution, by-laws and
6 amendments. Within 30 days after the adoption by any such
7 association of its constitution or by-laws or any amendment
8 thereto, it shall file a copy thereof, certified by its
9 president and executive director, with the Governor, the State
10 Superintendent of Education, ~~Public Instruction~~ and the
11 regional county superintendent of schools of each region county
12 in which it has any membership.

13 (Source: Laws 1961, p. 31.)

14 (105 ILCS 5/23-5.5 new)

15 Sec. 23-5.5. Professional development and training. Any
16 such association shall offer professional development and
17 training to school board members on topics that include, but
18 are not limited to, basics of school finance, financial
19 oversight and accountability, labor law and collective
20 bargaining, ethics, duties and responsibilities of a school
21 board member, and board governance principles. Every school
22 board member is expected to receive at least 4 hours of
23 professional development and training per year.

1 (105 ILCS 5/23-6) (from Ch. 122, par. 23-6)

2 Sec. 23-6. Annual report. Each association shall make an
3 annual report within 60 days after the close of its fiscal year
4 to the Governor, the State Board of Education and the regional
5 superintendent of schools of each region in which it has
6 members, setting forth the activities of the association for
7 the preceding fiscal year, the institutes held, the subjects
8 discussed, and the attendance, and shall furnish the Governor,
9 the State Board of Education and such regional superintendents
10 with copies of all publications sent to its members. The
11 association shall include the board training topics offered and
12 the number of school board members that availed themselves of
13 professional development and training.

14 (Source: P.A. 81-1508.)

15 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

16 Sec. 29-5. Reimbursement by State for transportation. Any
17 school district, maintaining a school, transporting resident
18 pupils to another school district's vocational program,
19 offered through a joint agreement approved by the State Board
20 of Education, as provided in Section 10-22.22 or transporting
21 its resident pupils to a school which meets the standards for
22 recognition as established by the State Board of Education
23 which provides transportation meeting the standards of safety,
24 comfort, convenience, efficiency and operation prescribed by
25 the State Board of Education for resident pupils in

1 pre-kindergarten, kindergarten, or any of grades 1 through 12
2 who: (a) reside at least 1 1/2 miles as measured by the
3 customary route of travel, from the school attended; or (b)
4 reside in areas where conditions are such that walking
5 constitutes a hazard to the safety of the child when determined
6 under Section 29-3; and (c) are transported to the school
7 attended from pick-up points at the beginning of the school day
8 and back again at the close of the school day or transported to
9 and from their assigned attendance centers during the school
10 day, shall be reimbursed by the State as hereinafter provided
11 in this Section.

12 The State will pay the cost of transporting eligible pupils
13 less the assessed valuation in a dual school district
14 maintaining secondary grades 9 to 12 inclusive times a
15 qualifying rate of .05%; in elementary school districts
16 maintaining any of grades pre-K ~~K~~ to 8 times a qualifying rate
17 of .06%; and in unit districts maintaining any of grades pre-K
18 ~~K~~ to 12, including optional elementary unit districts and
19 combined high school - unit districts, times a qualifying rate
20 of .07%; provided that for optional elementary unit districts
21 and combined high school - unit districts, assessed valuation
22 for high school purposes, as defined in Article 11E of this
23 Code, must be used. To be eligible to receive reimbursement in
24 excess of 4/5 of the cost to transport eligible pupils, a
25 school district shall have a Transportation Fund tax rate of at
26 least .12%. If a school district does not have a .12%

1 Transportation Fund tax rate, the amount of its claim in excess
2 of 4/5 of the cost of transporting pupils shall be reduced by
3 the sum arrived at by subtracting the Transportation Fund tax
4 rate from .12% and multiplying that amount by the districts
5 equalized or assessed valuation, provided, that in no case
6 shall said reduction result in reimbursement of less than 4/5
7 of the cost to transport eligible pupils.

8 The minimum amount to be received by a district is \$16
9 times the number of eligible pupils transported.

10 Any such district transporting resident pupils during the
11 school day to an area vocational school or another school
12 district's vocational program more than 1 1/2 miles from the
13 school attended, as provided in Sections 10-22.20a and
14 10-22.22, shall be reimbursed by the State for 4/5 of the cost
15 of transporting eligible pupils.

16 School day means that period of time which the pupil is
17 required to be in attendance for instructional purposes.

18 If a pupil is at a location within the school district
19 other than his residence for child care purposes at the time
20 for transportation to school, that location may be considered
21 for purposes of determining the 1 1/2 miles from the school
22 attended.

23 Claims for reimbursement that include children who attend
24 any school other than a public school shall show the number of
25 such children transported.

26 Claims for reimbursement under this Section shall not be

1 paid for the transportation of pupils for whom transportation
2 costs are claimed for payment under other Sections of this Act.

3 The allowable direct cost of transporting pupils for
4 regular, vocational, and special education pupil
5 transportation shall be limited to the sum of the cost of
6 physical examinations required for employment as a school bus
7 driver; the salaries of full or part-time drivers and school
8 bus maintenance personnel; employee benefits excluding
9 Illinois municipal retirement payments, social security
10 payments, unemployment insurance payments and workers'
11 compensation insurance premiums; expenditures to independent
12 carriers who operate school buses; payments to other school
13 districts for pupil transportation services; pre-approved
14 contractual expenditures for computerized bus scheduling; the
15 cost of gasoline, oil, tires, and other supplies necessary for
16 the operation of school buses; the cost of converting buses'
17 gasoline engines to more fuel efficient engines or to engines
18 which use alternative energy sources; the cost of travel to
19 meetings and workshops conducted by the regional
20 superintendent or the State Superintendent of Education
21 pursuant to the standards established by the Secretary of State
22 under Section 6-106 of the Illinois Vehicle Code to improve the
23 driving skills of school bus drivers; the cost of maintenance
24 of school buses including parts and materials used;
25 expenditures for leasing transportation vehicles, except
26 interest and service charges; the cost of insurance and

1 licenses for transportation vehicles; expenditures for the
2 rental of transportation equipment; plus a depreciation
3 allowance of 20% for 5 years for school buses and vehicles
4 approved for transporting pupils to and from school and a
5 depreciation allowance of 10% for 10 years for other
6 transportation equipment so used. Each school year, if a school
7 district has made expenditures to the Regional Transportation
8 Authority or any of its service boards, a mass transit
9 district, or an urban transportation district under an
10 intergovernmental agreement with the district to provide for
11 the transportation of pupils and if the public transit carrier
12 received direct payment for services or passes from a school
13 district within its service area during the 2000-2001 school
14 year, then the allowable direct cost of transporting pupils for
15 regular, vocational, and special education pupil
16 transportation shall also include the expenditures that the
17 district has made to the public transit carrier. In addition to
18 the above allowable costs school districts shall also claim all
19 transportation supervisory salary costs, including Illinois
20 municipal retirement payments, and all transportation related
21 building and building maintenance costs without limitation.

22 Special education allowable costs shall also include
23 expenditures for the salaries of attendants or aides for that
24 portion of the time they assist special education pupils while
25 in transit and expenditures for parents and public carriers for
26 transporting special education pupils when pre-approved by the

1 State Superintendent of Education.

2 Indirect costs shall be included in the reimbursement claim
3 for districts which own and operate their own school buses.
4 Such indirect costs shall include administrative costs, or any
5 costs attributable to transporting pupils from their
6 attendance centers to another school building for
7 instructional purposes. No school district which owns and
8 operates its own school buses may claim reimbursement for
9 indirect costs which exceed 5% of the total allowable direct
10 costs for pupil transportation.

11 The State Board of Education shall prescribe uniform
12 regulations for determining the above standards and shall
13 prescribe forms of cost accounting and standards of determining
14 reasonable depreciation. Such depreciation shall include the
15 cost of equipping school buses with the safety features
16 required by law or by the rules, regulations and standards
17 promulgated by the State Board of Education, and the Department
18 of Transportation for the safety and construction of school
19 buses provided, however, any equipment cost reimbursed by the
20 Department of Transportation for equipping school buses with
21 such safety equipment shall be deducted from the allowable cost
22 in the computation of reimbursement under this Section in the
23 same percentage as the cost of the equipment is depreciated.

24 On or before August 15, annually, the chief school
25 administrator for the district shall certify to the State
26 Superintendent of Education the district's claim for

1 reimbursement for the school year ending on June 30 next
2 preceding. The State Superintendent of Education shall check
3 and approve the claims and prepare the vouchers showing the
4 amounts due for district reimbursement claims. Each fiscal
5 year, the State Superintendent of Education shall prepare and
6 transmit the first 3 vouchers to the Comptroller on the 30th
7 day of September, December and March, respectively, and the
8 final voucher, no later than June 20.

9 If the amount appropriated for transportation
10 reimbursement is insufficient to fund total claims for any
11 fiscal year, the State Board of Education shall reduce each
12 school district's allowable costs and flat grant amount
13 proportionately to make total adjusted claims equal the total
14 amount appropriated.

15 For purposes of calculating claims for reimbursement under
16 this Section for any school year beginning July 1, 1998, or
17 thereafter, the equalized assessed valuation for a school
18 district used to compute reimbursement shall be computed in the
19 same manner as it is computed under paragraph (2) of subsection
20 (G) of Section 18-8.05.

21 All reimbursements received from the State shall be
22 deposited into the district's transportation fund or into the
23 fund from which the allowable expenditures were made.

24 Notwithstanding any other provision of law, any school
25 district receiving a payment under this Section or under
26 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may

1 classify all or a portion of the funds that it receives in a
2 particular fiscal year or from general State aid pursuant to
3 Section 18-8.05 of this Code as funds received in connection
4 with any funding program for which it is entitled to receive
5 funds from the State in that fiscal year (including, without
6 limitation, any funding program referenced in this Section),
7 regardless of the source or timing of the receipt. The district
8 may not classify more funds as funds received in connection
9 with the funding program than the district is entitled to
10 receive in that fiscal year for that program. Any
11 classification by a district must be made by a resolution of
12 its board of education. The resolution must identify the amount
13 of any payments or general State aid to be classified under
14 this paragraph and must specify the funding program to which
15 the funds are to be treated as received in connection
16 therewith. This resolution is controlling as to the
17 classification of funds referenced therein. A certified copy of
18 the resolution must be sent to the State Superintendent of
19 Education. The resolution shall still take effect even though a
20 copy of the resolution has not been sent to the State
21 Superintendent of Education in a timely manner. No
22 classification under this paragraph by a district shall affect
23 the total amount or timing of money the district is entitled to
24 receive under this Code. No classification under this paragraph
25 by a district shall in any way relieve the district from or
26 affect any requirements that otherwise would apply with respect

1 to that funding program, including any accounting of funds by
2 source, reporting expenditures by original source and purpose,
3 reporting requirements, or requirements of providing services.

4 Any school district with a population of not more than
5 500,000 must deposit all funds received under this Article into
6 the transportation fund and use those funds for the provision
7 of transportation services.

8 (Source: P.A. 94-875, eff. 7-1-06; 95-903, eff. 8-25-08.)

9 (105 ILCS 5/3-6 rep.)

10 (105 ILCS 5/3-6.1 rep.)

11 Section 90. The School Code is amended by repealing
12 Sections 3-6 and 3-6.1.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law."